EUPE CORPORATION BERHAD
(377762-V)

Strengthening Bonds

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BOARD OF DIRECTORS

Managing Director
Dato' Beh Huck Lee

Non-Independent Executive Director
Muhamad Faisal Bin Tajudin

Non-Independent Non-Executive Director
Datin Paduka Teoh Choon Boay

Independent Non-Executive Director
Dato' Paduka Haji Ismail Bin Haji Shafie

Independent Non-Executive Director
Dato' Paduka Haji Rasli Bin Basir
(Appointed on 24th June 2013)

Independent Non-Executive Director
Dato' Jaafar Bin Jamaludin

Independent Non-Executive Director
Kek Jenny

Independent Non-Executive Director
Tan Hiang Joo

AUDIT COMMITTEE

Chairman of the Committee
Dato' Jaafar Bin Jamaludin*

Members of the Committee
Dato' Paduka Haji Rasli Bin Basir*
(Appointed on 24th June 2013)

Tan Hiang Joo*
Kek Jenny*

* Independent Non-Executive Directors

NOMINATING COMMITTEE

Chairman of the Committee
Dato' Paduka Haji Rasli Bin Basir*

Members of the Committee
Tan Hiang Joo*
Kek Jenny*

* Independent Non-Executive Directors

REGISTERED OFFICE

5th Floor, Wisma Ria, Taman Ria,
08000 Sungai Petani,
Kedah Darul Aman, Malaysia.
Tel : 604-441 4888 Fax : 604-441 4548

AUDITORS

RSM Robert Teo, Kuan & Co
Penthouse, Wisma RKT
No 2 and 4, Jalan Raja Abdullah
Off Jalan Sultan Ismail
50300 Kuala Lumpur
Tel : 603-2610 2888 Fax : 603-2698 6600

SOLICITORS

Wong, Beh & Toh
Haji Mahmud & Partners
Ng & Anuar
Young & Company
Nor, Ding & Co

COMPANY SECRETARY

Ng Bee Lian (MAICSA 7041392)

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad (6815)

PRINCIPAL BANKERS

RHB Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
RHB Bank Berhad
HSBC Bank Malaysia Berhad
AmBank (M) Berhad
United Overseas Bank (M) Berhad

REGISTRAR

Mega Corporate Services Sdn Bhd (187984-H)
Level 11-2, Faber Imperial Court,
Jalan Sultan Ismail,
50250 Kuala Lumpur
Tel: 603-2692 4271 Fax: 603-2732 5388

MESSAGE FROM THE MANAGING DIRECTOR

Despite ongoing and significant challenges in the market, Eupe achieved another year of increased profit growth, underpinned by a strong performance in core aspects of its business.

At the same time we have been laying the strategic foundations for future growth in higher-value market segments which will not only both expand and diversify our sources of profit, but also represent an exciting new chapter in the company's history.

FINANCIAL PERFORMANCE

Overall, in the financial year to 28 February 2013, the group achieved total revenue of RM 147 million, representing a 3% increase over the previous year. Profit before tax achieved for the financial year at RM 25 million represented an 83% increase over the previous year.

This overall result reflects another solid performance by our property development and construction division which continues to be the key contributor to the group's business. The division achieved a profit before tax of RM 25 million on the back of a RM 129 million revenue. This represented a revenue increase of 3% over the previous year, while profit before tax increased 78% over the same period.

The increased profit is the result of a number of key township projects reaching their full revenue potential. As you may be well aware, township developers such as Eupe have a very long profit recognition gap, whereby lower margin products are sold at the initial stage of the projects, and significant investment is made early on in township infrastructure.

Hence, the average margin in 2013 was higher than the two previous financial years due to key projects, namely Taman Ria Mesra II (Gurun) phases 3, 4 and 5, being fully completed within the course of the financial year, together with Taman Ria (Padang Serai) and Cinta Sayang Resort Homes (Sungai Petani) nearing the end of their construction timeframes over the same period.

In terms of ensuring a consistent pipeline of new projects for the division, we have supplemented the list of ongoing projects in Astana D, Astana E, Puncak Surya, Sri Iora and Taman Ria Mesra II (phase 6). We will also be launching two new major development projects in Sungai Petani this year - The Somerset and Cinta Sayang Resort Villas. This will further expand our presence in the Cinta Sayang precinct which continues to be a highly sought after location.

The Hotel and Resort division, the company's other major division achieved a revenue of RM15.4 million, a small increase on the previous year's result of RM14.8 million.

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)

The business renewal strategy for the division has resulted in both operational and financial improvements, with each of the sub-divisions (the Hotel and F&B, Golf, and Water Theme Park divisions) only marginally short of returning to profit after having undergone several years of losses.

Despite being one of best known resorts in Northern Malaysia, the company acknowledges we have been underperforming in terms of profitability and return on assets. To address the situation, senior personnel have been brought in to strengthen the division's operations and bottom line. New investments will also be channeled towards upgrading and improving the facilities of the resort. We are optimistic that both the operational and financial efficiency of the division will improve beginning these 2 years.

FUTURE GROWTH

Eupe is one of the biggest property and township developers in Kedah today, and this imposes limitations on our growth potential within the region, particularly given the relatively stable property market in the state. In order to secure further sources of growth while diversifying our revenue stream, the company's strategic growth focus has expanded geographically into developments in high value segments of the property market in Kuala Lumpur.

As part of this strategy we are pleased to announce that we have secured 2 pieces of land in Kuala Lumpur, one in Bangsar South and the other one near Taman Shamelin Cheras. Both parcels of land are very strategically located in high-value residential areas and both projects will represent, when completed, high-density condominium developments. Given their location and quality of the development, we are confident that these projects will significantly add to our revenue and profit growth in the near future. To further strengthen and diversify our emerging portfolio in Kuala Lumpur, we will also be finalizing arrangements to acquire a land for property development in Desaminium near Bandar Kinrara, Kuala Lumpur.

Future growth will also be assisted by the expansion of our 100% owned subsidiary Riacon Sdn Bhd, which currently is focused on the construction of all houses for our property division, into external projects, particularly government projects. Riacon has great experience

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)

and capabilities in construction, but to ensure its expansion into new projects external to the company occurs smoothly, it will collaborate with other parties which are equally capable.

During the financial year, the company also started construction of the HillPark project in Alma, Penang. Engineering and management requirements for this project present new challenges, but the experience will be invaluable for ensuring our Kuala Lumpur projects are developed on-time and on-budget.

MARKET OUTLOOK

The general economy remained relatively flat for the financial year under review. A continuing sluggish economy, however, has potential benefits for our sector as investors seek out safe havens from what continues to be uncertain investment conditions, provided that the income growth is sustained and labor market conditions remain favorable.

With the outcome of the recent 13th General Election, the Government's strategic direction to cut public subsidies so as to narrow the fiscal deficit to 4% of GDP may materialize. This is likely to increase food, transportation and energy costs, hence eroding disposable income and adversely affecting property demand.

In addition, the government's review on the policy on the Developer Interest Bearing Scheme (DIBS) seems to indicate their intention to cool speculation in the property market. However, an intended slowdown, if managed over a short term, could in fact be much needed for the industry.

The property market in Kedah, where most of our commercial operations remain focused, is expected to remain relatively stable, given the fact that the market is consumer driven. As one of the largest township developers in the state, Eupe offers a wide range of homes catering to different market segments and this diversification allows us to mitigate against any general slowdown by focusing on the more popular homes demanded by each market segment.

We expect the general economy to pick up over one to two years on the back of projected improvements in the global economy, as well as the prospect of additional investments in the sector by Kedah's new government.

Our strong balance sheet and relatively healthy gearing ratio of less than 10% is also important as a hedge against future market uncertainty.

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)

DIVIDEND POLICY

While dividends have not been issued for some years, the Board remains strongly committed to ensuring shareholders are delivered value on their investment. Within this context the company's dividend policy is being reviewed in light of both the Board's and my desire to re-issue dividends.

The current policy has served us well, allowing us to reinvest profits in new investments and ensure a strong balance sheet, both of which have provided the platform to underpin sustainable revenue and profit growth. At this stage, the review is expected to result in a modest dividend to shareholders in the next financial year.

Given ongoing uncertain economic conditions, the Board has proposed not to issue dividends in FYE2013 but an interim dividend of 2% has been declared for Q1 2014.

CORPORATE SOCIAL RESPONSIBILITY

As a company whose core business is township development, Eupe takes its community social responsibilities very seriously.

Specifically, we believe that any successful business must invest in the community in which it does business. This is because it makes good business sense to contribute and nurture the community which provides for the company's commercial success. Our undertaking to build the Triple Wisdom Hall at no profit is an example of this commitment and philosophy.

MESSAGE FROM THE MANAGING DIRECTOR (CONTINUED)

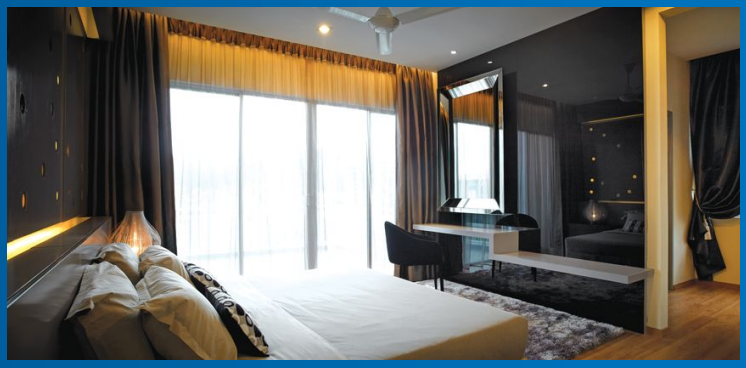
The 10 storey hall and residential complex in Jalan Pangkor, Georgetown was completed this year with the final RM 2.1 million worth of development completed in the current reporting financial year and undertaken at no profit. We are pleased to inform that our total cost to them was more than 20% below that of the next lowest bid.

We also participate in other social projects and donate to various needy organisations, including schools and social organisations, on a monthly basis. Visits are organized to various charity homes and orphanages on a regular basis.

CONCLUSION

In summary, Eupe has continued to consolidate its market leadership position in what continues to be challenging economic conditions. We are also poised to enter a new and exciting stage of growth and development as a company. The next few years will see Eupe leveraging its core capabilities as one of Malaysia's premier township developers into a new phase of development focused on higher-value developments in Kuala Lumpur and abroad.

The building blocks for this new and exciting chapter in our company's history are already in place, we have reserved strategic land banks both in the city and other townships sufficient to sustain a consistent pipeline of new projects to underpin growth.



We have many people to thank for our ongoing success. In particular I want to, on behalf of our Board, thank our contractors, suppliers and financial institutions for continuing to provide us with very strong support and high levels of professionalism. My appreciation also goes to all our shareholders and staff members for their support. I am looking forward to working with you all to ensure another great year ahead.

Dato' Beh Huck Lee
Managing Director
19 July 2013

PROFILE OF DIRECTORS

Dato' Beh Huck Lee

DSDK, AMK
Managing Director

Aged 43. Malaysian. Appointed to the Board on 19 May 1997.

Holds a Bachelor of Commerce and a Bachelor of Engineering (First Class Honours) from the University of Western Australia. Was attached to Hewlett-Packard before he joined the Group in 1995. Taking over at the helm, he oversaw the operations of the Group, its restructuring and the subsequent listing of the Company on the Bursa Malaysia Securities Berhad.

Attended all four board meetings in the financial year. No conflict of interest with the Group and is the son of Datin Paduka Teoh Choon Boay. Is also a director of Betaj Holdings Sdn Bhd and Beh Heng Seong Sdn Bhd; both of which are major shareholders of the Company. Has not been convicted of any offence within the past ten years.

Muhamad Faisal bin Tajudin

Non-Independent Executive Director

Aged 43. Malaysian. Appointed to the Board on 30 June 2006.

Holds a Bachelor of Arts from the Loyola Marymount University. Was attached to Aima Development Sdn Bhd which was responsible for the development of City Plaza in Alor Setar prior to joining the Group.

Attended all four meetings in the financial year. No conflict of interest with the Group. Is also a director of Betaj Holdings Sdn Bhd, a major shareholder of the Company. Has not been convicted of any offence within the past ten years.

Tan Hiang Joo

Independent Non-Executive Director

Aged 50. Malaysian. Appointed to the Board on 19 May 1997.

Holds a law degree (LLB(Hons)) from the University of Malaya and is an advocate and solicitor with the High Court of Malaya. Has been in practice since 1989 and is a partner of Syarikat Ng & Anuar.

Attended all four board meetings in the financial year. No conflict of interest with the Group and has no family relationship with any other Director or major shareholder of the Group. Has not been convicted of any offence within the past ten years.

Dato' Jaafar bin Jamaludin

DSDK, ARICS, ARVA, MISM

Independent Non-Executive Director

Aged 68. Malaysian. Appointed to the Board on 28 February 1997.

Is a Member of the Institution of Surveyors, Malaysia; a Professional Associate of the Royal Institution of Chartered Surveyors; an Associate Member of the Rating and Valuation Associate (ARVA) in the United Kingdom; and a Registered Valuer with the Board of Valuers, Appraisers and Estate Agents, Malaysia. Key positions held include Technical Manager of the Malaysian Building Society Berhad (1975-1980); Executive Director of Advance Development Sdn Bhd (a subsidiary of Kulim (Malaysia) Berhad) (1980-1985); Chief Executive of Kedah State Economic Development Corporation (1985-1993); and Chairman of Chesterton International (Malaysia) Sdn Bhd as well as Chairman and Director of various other companies including Bina Puri Holdings Berhad (1994-1997).

Attended all four board meetings in the financial year. No conflict of interest with the Group and has no family relationship with any other Director or major shareholder of the Group. Has not been convicted of any offence within the past ten years.

PROFILE OF DIRECTORS (CONTINUED)

Datin Paduka Teoh Choon Boay

Non-Independent Non-Executive Director

Aged 65. Malaysian. Appointed to the Board on 19 May 1997.

Has been a director of Beh Heng Seong Sdn Bhd, an investment holding company since 1982 and is also a director of several private limited companies.

Attended all four meetings in the financial year. No conflict of interest with the Group and is the mother of Dato' Beh Huck Lee. Is also a director of Beh Heng Seong Sdn Bhd, a major shareholder of the Company. Has not been convicted of any offence within the past ten years.

Kek Jenny

Independent Non-Executive Director

Aged 49, Malaysian. Appointed to the Board on 28 March 2002.

Holds a Bachelor of Commerce degree majoring in Accountancy, from the University of Canterbury and is a Chartered Accountant by profession. Is also a member of the Malaysian Institute of Accountants (MIA).

Was with KPMG (Malaysia) as Senior Manager / Head of Department and was primarily involved in statutory audits, financial due diligence and special audits (1990-1997). Prior to her relocation to KPMG (Malaysia), was attached to KPMG's Christchurch, New Zealand and Brussels, Belgium offices (1987-1990). Is currently the Executive Director of Comet Asset Management Sdn Bhd, a company which provides corporate advisory and investment services.

Attended all four board meetings in the financial year. No conflict of interest with the Group and has no family relationship with any other Director or major shareholder of the Group. Has not been convicted of any offence within the past ten years.

Dato' Paduka Haji Ismail bin Haji Shafie

DHMS, DSDK JMN, BCK, JP.
Independent Non-Executive Director

Aged 66. Malaysian. Appointed to the Board on 24 September 2010.

Holds a Higher School Certificate (HSC). Served the Kedah State Government from 1969 to 2003 when he retired after serving as State Secretary of Kedah since 1996. Other posts held include District Land Officer and District Officer of various districts, State Director of Lands and Mines (Kedah) as well as State Financial Officer (1994-1996).

Also director of Permodalan Kedah Berhad and Supportive Resources Berhad.

Attended three out of four meetings in the financial year. No conflict of interest with the Group and has no family relationship with any other Director and major shareholder of the Group. Has not been convicted of any offence within the past ten years.

Dato' Paduka Haji Rasli bin Basir

DHMS, DGMK, DSDK, PJN, SDK, AMK, BCK, BPL, JP
Independent Non-Executive Director

Aged 60. Appointed to the Board on 18 June 2013.

Holds a Bachelors Degree (Hon) in Anthropology and Sociology and a Master Degree in Administrative Study. He served as the Kedah State Secretary(2009-2013). Other positions held include Kedah State Financial Officer, Director of Land and Mines for Kedah and District Officer of various districts. Dato'Paduka Haji Rasli also served in other capacities in the following:

- President of PBT Kulim Hi-Tech Park;
- Chairman of Zakat Negeri Kedah;
- Chairman of Lembaga Kemajuan Penanam Padi Negeri Kedah;
- Chairman of Lembaga Tabung Masjid;
- Chairman of Institut Pengurusan dan Integriti Negeri Kedah.

As the appointment is very recent, a record of attendance is Eupe's Board meeting is not relevant. Has not been convicted of any offence within the past ten years.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (the "Board") of Eupe Corporation Berhad (the "Company") is fully committed to maintaining the highest standards of corporate governance, professionalism and integrity to create and deliver long term sustainable shareholder value.

The Board is pleased to report the application of the underlying Principles and Recommendations set out in the Malaysian Code on Corporate Governance 2012 (the "MCCG2012" or the "Code"). This Corporate Governance Statement covers the Company's corporate governance for the financial year ended 28 February 2013. Where a specific Recommendation of the MCCG 2012 has not been observed during the financial year under review, the non-observation, including the reasons thereof, is included in this statement.

Principle 1 - Establish clear roles and responsibilities of the Board and Management

The Group is headed by a Board, comprising Executive, Non-executive and Independent Non-executive Directors who are collectively responsible for the following:

- to review any strategic plans for the Company and its subsidiaries;
- to oversee the conduct of the Company's businesses and the performance of management;
- to identify principal business risks faced by the Company and its subsidiaries and ensure the implementation of appropriate internal controls and mitigation measures;
- to consider succession planning for Senior Management positions;
- to develop and implement a shareholder communications policy; and
- to review the adequacy and the integrity of the Company's internal control systems and management information systems.

Although all Directors owe fiduciary duties towards the shareholders, the Executive Directors overlook the daily business operations, whereas the Non-Executive Directors main role is to bring objective and independent insight into Board's decisions.

Board Charter

The Board has formalised its Board Charter in June 2013 to align with Recommendation 1.7 of the Code as well as to set out the roles and functions of the Board and the Management. Whilst the Board is responsible for creating the framework and policies within which the Company should be operating, Management is responsible for instituting compliance with laws, regulations, rules, directives and guidelines, including the achievement of the Company's corporate objectives.

The Board shall periodically update its Board Charter according to the latest developments in the Company as well as regulatory requirements and is currently in the process of uploading its salient features on the Company website at ***www.eupe.com.my.***

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Code of Ethics and Integrity (Whistle-blowing) Policy

To enhance the standards of corporate governance and corporate behaviour, the Board has formalised a Code of Ethics in mid 2013 to set out the standards of ethics and conduct expected from its Directors and employees.

The Integrity (Whistle Blowing) policy which was formalised in April 2012 provides an avenue for a whistleblower to raise concerns about a breach in the Code of Ethics or corporate fraud involving any member of the Company. Concerns shall be addressed according to procedures determined by the policy.

A summary of the Code of Ethics and the Integrity (Whistle blowing) policy are made available on the Company's website at ***www.eupe.com.my.***

Sustainability of Business

The Board is mindful of the importance of business sustainability and will incorporated the Corporate Sustainability Policy into its corporate strategy, considering its impacts on environmental, social and governance aspects. Additionally, the Company's activities on corporate social responsibilities are disclosed on page 06 of this Annual Report.

Supply of, and access to, Information

The Board has full and independent access to Management, external consultants and the Company Secretary for information needed to effectively carry out its duties.

Management provides the Board with Board papers which include, amongst others, the following:

- Minutes of the previous Board meetings;
- Minutes of the previous Audit Committee meeting;
- Quarterly financial results of the Company;
- Financial performance and operations of the divisions; and
- Future plans and projections of the Company.

Separate reports are prepared as and when needed for the Board's deliberation on strategic and policy issues, major investments and major financial decisions.

Independent professional advice may be sought in the furtherance of the Directors' duties and responsibilities at the Company's expense, if considered necessary, in accordance with established procedures set out in the Board Charter.

The Board is also regularly updated and advised by a Company Secretary who is qualified, experienced and competent on statutory and regulatory requirements. The Company Secretary briefs the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretary attends all Board and Audit Committee meetings to ensure that the meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The appointment and removal of the Company Secretary, if any, is a matter for the Board as a whole to decide.

Principle 2 - Strengthen Composition of the Board

At the date of this Statement, the Board consists of eight (8) members, comprising two (2) Executive Directors and six (6) Non-Executive Directors, five (5) of whom are Independent. This composition fulfills the requirements set out under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out on pages 08 to 11 of this Annual Report.

Nominating Committee

In end of July 2013, the Board has set up a Nominating Committee which comprises wholly of Non-Executive, Independent Directors as follows:

Directors

1. Dato' Haji Paduka Rasli Bin Basir (Chairman)
2. Kek Jenny
3. Tan Hiang Joo

The Nominating Committee is empowered by the Board through clearly defined terms of reference to oversee the assessment of Directors, nominate to the Board the candidature of Directors, appoint Directors to Board Committees and to review the Board's succession plans and training programmes.

Assessment

During the financial year under review, the Board has reviewed the size and composition of the Board with particular consideration on the impact on the effective functioning of the Board. The Board is of the view that the required mix of skills and experience of existing Directors, including the core competencies which Non- Executive Directors bring to the Board are deemed adequate in addressing the current business needs and issues faced by the Group.

Where board diversity is concerned, the Board does not have a specific policy on setting targets for women candidates. The suitability of candidates shall be based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company. Nevertheless, two (2) of eight (8) Board members comprise of women directors as at the date of this Statement.

Going forward, the Nominating Committee shall be responsible for conducting annual performance assessments on the Board, the Board Committees and individual Directors according to established criteria for such assessments.

Induction

The Company does not practise organising induction programmes for its new Directors as it is of the view that newly appointed individuals shall be of sufficient experience and caliber to carry out their Directorial duties.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Re-election of Directors

Article 82 of the Articles of Association provides that one-third (1/3) of the Directors, or if their number is not a multiple of three (3), the number nearest to one-third (1/3), shall retire from office at each Annual General Meeting and may offer themselves for re-election. All Directors, including the Managing Director shall retire at least once in each three years and shall be eligible for re-election. This will provide an opportunity for the shareholders to renew their mandates. The election of each Director is voted on separately and sufficient information such as the personal profile and meeting attendance of each Director are furnished in the Annual Report to assist shareholders in their making their decision.

Directors' Remuneration

The Board has not established a Remuneration Committee for it is of the opinion that the roles and responsibilities of a Remuneration Committee can be assumed by the Board as a whole. Nevertheless, the Board in observing Recommendation 2.3 of the Code has formalised a Remuneration Policy for its Directors in June 2013. Broadly, the Directors' remuneration packages are dictated by market competitiveness and the level of experience or responsibilities involved.

The remuneration packages of the Executive Directors are aligned with the business strategy and performance of the Company and are tailored to attract, retain and motivate Directors of the quality required to manage the business of the Company.

In deciding on the appropriate level of fees for each Non-Executive Director, the Board takes into consideration, the experience, the level of responsibilities undertaken, time commitment required in attending both the scheduled and special Board meetings, deliberation time required for Board papers as well as the number of membership assumed on Board Committees. Any review or change to the existing package will be deliberated upon by the Board as a whole. The Directors will abstain from the deliberation of their individual remuneration. The aggregate remuneration of Directors for the financial year ended 28 February 2013 is as follows:

	Executive RM'000	Non-Executive RM'000
Salaries and EPF	773,418	-
Bonuses	159,693	-
Fees	24,000	108,000
Allowances	5,000	10,500
Total	**962,111**	**118,500**

The number of Directors whose remuneration fall within the following bands are as follows:

Remuneration bands (RM)	Executive	Non-Executive
0 - 50,000	-	5
450,001 – 500,000	2	-
Total	**2**	**5**

Principle 3 - Reinforce Independence of the Board

The Board comprises eight (8) directors with a majority of Independent Directors as follows:

- Two (2) Executive Directors
- One (1) Non-Independent Non-Executive Director
- Five (5) Independent Non-Executive Directors

Although the Board has not identified a permanent Chairman, the Board will at each of its meetings appoint a Chairman from the Independent Non-Executive Directors present.

The Chairman shall function as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that there is no unfettered decision making by Executive Directors.

For the financial year under review, assessment on the independence of the Independent Non-Executive Directors were not carried out as it had been carried out prior to their appointment and shall reprise upon self disclosure of a change to their status as and when new interests/relationships developed. Nonetheless, the Board has since undertaken steps to formalise its Directors' independence policy in mid 2013, setting out the requirement for the Board to undertake an assessment on its Independent Directors annually to align itself with the MCCG 2012. The criteria for such assessments have been adapted from definitions from Paragraph 1.01 of Bursa's Main Market Listing Requirements, the Companies Act 1965 and the MCCG 2012.

The Board Charter also addresses the recommendation of the Code to restrict the tenure of an Independent Director to a cumulative term of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to re-designation as a Non-Independent Non-Executive Director. Should the Board intend to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Board shall assess the candidate's suitability to continue as an Independent Non- Executive Director based on the criteria on independence.

Following the assessment and deliberation by the Board, the following Independent Non-Executive Directors of the Company who have served in that position for a cumulative term of more than 9 years as at the end of the financial year under review, shall be recommended by the Board to continue to act as Independent Non-Executive Directors subject to shareholders' approval at the forthcoming Annual General Meeting of the Company:

Directors	Tenure of service
Tan Hiang Joo	16 years
Kek Jenny	11 years

The Board believes that the above Directors possess the right experience, expertise, skills and competencies to contribute independent and objective judgment to the Board. Additionally, they have exercised due care during their tenure and have carried out their professional duties in the best interest of the Company and its shareholders. They hold a solid understanding of the Company's business operations from time spent with the Company to effectively contribute in Board deliberations.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Principle 4 - Foster commitment of Directors

It is the policy of the Company for Directors to devote sufficient time and effort in carrying out their responsibilities. Among other ways of ensuring such are obtaining the Director's commitment upon appointment and requiring all Directors to attend at least half of the meetings held for the financial year under review. Additionally, Directors shall notify the Board before accepting any new directorship in listed issuers; the notification of which shall include an indication of time that will be spent on the new appointment. During the financial year under review, four (4) Board meetings were held and details of Directors' attendance are as follows:

Directors	Number of meetings attended
Dato' Beh Huck Lee	4/4
Muhammad Faisal Bin Tajudin	4/4
Datin Paduka Teoh Choon Boay	4/4
Dato' Jaafar Bin Jamaludin	4/4
Tan Hiang Joo	4/4
Kek Jenny	4/4
Dato' Paduka Haji Ismail Bin Haji Shafie	3/4

Directors' Training

There is no formal training programme for Directors. Nonetheless, the Company encourages its Directors to undergo relevant training to further enhance their skills and knowledge.

Going forward, the Nominating Committee shall propose an annual training plan for Directors, taking into consideration the results of the annual performance assessments and the Board's deliberation on the training needs.

All Directors have completed the Mandatory Accreditation Programme under the auspices of Bursa and have been briefed on current regulatory issues as well as new relevant laws and regulations by the Company's auditors and Company Secretary.

During the financial year ended 28 February 2013, the following were the programmes attended:

Date	Training Programmes
6 March 2012	Seminar on IFRS convergence in 2012
6 April 2012	Seminar on Preparing your first MRFS quarterly report
14 May 2012	Optimising Corporate Tax Planning Strategies
28 July 2012	Hill-Site Development-Challenges & A Way Forward
18 November 2012	Briefing by KPHT Senior Officers on Duties & Responsibilities of Licensed Housing Developers
29 November 2012	Review of Strategic Planning by Directors & Managing Risk
11-12 March 2013	Best Practices in the Presentation of Financial Statements & Annual Reports
20 March 2013	Mastering Presentation Techniques with Powerpoint
20 June 2013	Advocacy Sessions on Corporate Disclosure for Directors

Principle 5 - Uphold integrity in financial reporting by Company

Financial reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group s financial performance and prospects, primarily through the Annual Report and the quarterly announcement of results. The Board is assisted by the Audit Committee to oversee the Company s financial reporting process and the quality of its financial reporting.

The Audit Committee members meet on a quarterly basis to review the integrity and reliability of the Company's financial statements prior to recommending them for the Board's approval. The Board deliberates on these financial statements before they are publicly released together with explanatory notes on the Group's quarterly and year-end performances.

Directors' responsibility statement in respect of the preparation of the audited financial statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company.

In preparing the financial statements, the Directors with the assistance of the board of Audit Committees,have:

- Ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act 1965 have been; and
- Selected and applied consistently suitable accounting policies and made reasonable and prudent judgement and estimates.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Suitability and Independence of External Auditors

The Board, via the Audit Committee, has formalised policies and procedures to assess the suitability and independence of the external auditors in mid 2013. In ensuring that the provision of non-audit services to the Company does not impair the external auditors' independence or objectivity, the policy sets out the thresholds and procedures that need to be observed when contracting the external auditors to provide such services. They are also invited to attend the corporate Annual General Meeting to answer questions to the shareholders.

Principle 6 - Recognise and manage risks

Recognising the importance of risk management, the Board has in past years formalised a structured Enterprise Risk Management framework to identify, evaluate, control, monitor and report the principal business risks faced by the Group. The key features of the Enterprise Risk Management framework are set out in the Internal Control Statement of the Company set out on pages 21 to 22 of this Annual Report.

In line with the MCCG 2012 and the Listing Requirements of Bursa, the Board has outsourced its internal audit function to an independent professional firm which reports directly to the Audit Committee. The scope of work covered by the internal audit function during the financial year under review is provided in the Internal Control Statement of the Company set out on pages 21 to 22 of this Annual Report.

STATEMENT OF CORPORATE GOVERNANCE (CONTINUED)

Principle 7 - Ensure timely and high quality disclosure

During the financial year under review, the Board has undertaken means of formalising its existing internal corporate disclosure policies and procedures not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, but also in setting out the protocols for disclosing material information to shareholders and stakeholders. The Board is aware of the confidentiality and sensitivity of undisclosed information and ensures that measures are in place to prevent divulgence of such information.

For the purpose of ensuring effective dissemination, the Company has dedicated a section in its Company website whereby shareholders can access information relating to the Group.

Principle 8 - Strengthen relationship between Company and shareholders

Shareholder participation at general meeting

The Annual General Meeting ("AGM") is a platform for shareholders to raise their concerns and opinions about the Company and its performance. Apart from shareholders, the Company's employees, bankers, lawyers and the press are invited to attend the AGM. It is an appropriate avenue to obtain feedback directly from shareholders and to inform them of the Company's direction and performance. The Managing Director or any competent officer addresses the shareholders on the review of the Company's performance for the financial year and outlines the prospects of the Company for the subsequent financial year. The Company's external auditors and Company Secretary are also present to clarify and explain any issues that may arise. Usually, a press conference is held immediately after the AGM to answer questions on the Company.

The Company dispatches its notice of AGM to shareholders at least twenty one (21) days before the date of the meeting to enable shareholders to go through the annual report and papers supporting the resolutions proposed. Shareholders are invited to ask questions regarding the resolutions being proposed before putting a resolution to vote as well as matters relating to the Company's operations in general. All the resolutions set out in the Notice of the sixteenth (16) AGM were put to vote by show of hands and were duly passed. The outcome of the AGM was announced to Bursa on the same meeting day. Going forward, the Board may consider poll voting for substantive resolutions, being resolutions for which circulars have been issued to shareholders as well as disclosing detailed results showing the number of votes cast for and against each resolution.

Dialogue between companies and investors

The Company ensures that it maintains an open communications policy with its shareholders, individuals or institutional members and welcomes feedback from them. Whenever deemed appropriate, the Board or the relevant management personnel will respond to these queries or opinions on an individual level.

Investors and members of the public who wish to assess corporate and financial information such as the quarterly announcement of the financial results of the Group, announcements and disclosures made pursuant to the disclosure requirement of Bursa's Listing Requirements and other corporate information and events related to the Group can channel their queries via the website or the following telephone numbers:

Telephone number : +604 4414 888 • Fax number : +604 4414548 • Website : www.eupe.com.my

This Statement is issued in accordance with a resolution of the Board dated 1st July 2013

ADDITIONAL COMPLIANCE INFORMATION

STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE PROPOSAL
This is not applicable for the financial year ended 28 February 2013.

SHARE BUYBACKS
There is no share buyback exercised during the financial year ended 28 February 2013.

AMOUNT OF OPTIONS, WARRANTIES OR CONVERTIBLE SECURITIES EXECERCISE IN RESPECT OF THE FINANCIAL YEAR
This is not applicable for the financial year ended 28 February 2013.

AMERICA DEPOSITORY RECEIPT("ADR")/GLOBAL DEPOSITORY RECEIPT("GDR")
The Group did not sponsor any ADR or GDR programme during the financial year ended 28 February 2013.

SANCTIONS AND/OR PENALTIES
There were no sanctions and/or penalties imposed on the Company, its other subsidiaries, directors or management by the relevant regulatory bodies during the financial year ended 28 February 2013.

VARIATIONS IN RESULTS
There were no variances of 10% or more between the results for the financial year ended 28 February 2013 and unaudited results previously announced.

NON-AUDIT FEES
There were no non-audit fees paid to the external auditors during the financial year ended 28 February 2013.

RELATED PARTY TRANSACTIONS OF A REVENUE/TRADING NATURE
All recurrent related party transactions entered into by the Group during the financial year are disclosed in Note 37 of the financial statement on pages 106 to 108 of this annual report.

PROFIT GUARANTEES
There were no profit guarantees given by the Company during the financial year ended 28 February 2013.

MATERIAL CONTRACTS
There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company and its subsidiaries which involves directors'major shareholders' interests during the financial year ended February 2013.

REVALUATION POLICY
The revaluation policy on landed properties is as disclosed in the financial statements.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") requires the Board of Directors of a listed issuer to include in its Annual Report "a statement about the state of internal control of the listed issuer as a group".

The Board of Directors of Eupe Corporation Berhad ("the Board") is committed to maintaining a sound system of internal control in the Group, comprising the Company and all its subsidiaries, and is pleased to provide the following Internal Control Statement which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 28 February 2013.

BOARD RESPONSIBILITIES

The Board's key charter in balancing the business needs and strategic alignment of the company is to review and approve the Group's system of risk management and internal control, to safeguard shareholders' investment and the Group's assets. In view of the limitations that are inherent in any system of risk management and internal control, this system is designed to manage rather than eliminate the risk of failure. The system of internal control covers, inter-alia, financial, organisational, operational and compliance controls and risk management procedures.

Following the publication of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the "Guidelines") in January 2013, the Board confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by the Group. The Board, through its Audit Committee, regularly reviews the result of this process including mitigating measures taken by Management, to address areas of key risks as identified. This process was in place throughout the financial year under review. The Board also confirms that, going forward, this process will be reviewed periodically to ensure it accords with the Guidelines.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group has a Risk Management Manual which outlines the enterprise risk management framework for the divisions of the Group, as prepared by a firm of consultants. Risk update exercises have been carried out by the Management with assistance from the firm of consultants with the last update conducted in 2009. There was no structured risk update for the financial year under review as there has been no structural change to the operating environment. Nevertheless, regular Management and Board meetings were conducted to discuss amongst others, the success and risk factors.

INTERNAL AUDIT FUNCTION

The Group has outsourced its Internal Audit function to a firm of consultants. The Internal Audit function adopts a risk-based methodology in its review of the key processes of the identified operating units in the Group and provides independent and objective reports on the state of internal control of the various operating units within the Group to the Audit Committee.

During the financial year under review, the Internal Audit function performed a cycle of internal audit on the control and customer service. The findings from the audit were presented to the Audit Committee in January 2013.

DIRECTORS' STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The effectiveness of the systems of internal control is also reviewed through an on-going management appraisal of the effectiveness of its operations and the MS ISO 9001:2008 certification of the civil engineering and construction arm as well as the hospitality arm (the resort and hotel division). The maintenance of the ISO 9001 certification requires annual independent surveillance by Lloyds Register Quality Assurance with the last surveillance being conducted in April 2013.

Additionally, ongoing reviews and deliberation of financial and operational reports during Board and Audit Committee meetings are carried out to ensure the effectiveness and adequacy of the Groups' internal control system in safeguarding the shareholders' investment and the Group's assets.

The Internal Audit function also monitors and reports on the status of Management follow ups on the implementation of Management action plans to improve areas where control deficiencies were noted during internal audit.

OTHER RISK AND CONTROL PROCESSES

Apart from risk management and internal audit, the Board has put in place the following pertinent measures to strengthen the internal control system of the Group:

- The Group has in place an organisation structure with clearly defined reporting lines aligned with business and operational requirements;
- The Audit Committee, chaired by an Independent Non-Executive Director reviews the internal control system and findings of the internal and external auditors;
- Policies and procedures for key processes are documented and communicated to employees for application across the Group. These are supplemented by operating procedures set by individual companies, as required for the type of business of each company;
- A regular review of Key Performance Indicators is undertaken by the management to identify, and where appropriate, to address significant variances;
- An effective reporting system, which ensures the timely generation of financial information for management review has been put in place. Financial Results are reviewed quarterly by the Board and the Audit Committee; and
- The Group has in place continuous quality improvement initiatives to ensure accreditation such as ISO certification for selected businesses.

THE BOARD'S COMMITMENT

The Board has received assurance in writing from the Managing Director and Chief Financial Officer that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. Taking this assurance into consideration and the input from relevant assurance providers, the Board is of the view that the systems of risk management and internal control is satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Group continues to take measures to strengthen the internal control environment.

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 28 February 2013 and reported to the Board that nothing has come to their attention that caused them to believe that the statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the systems of risk management and internal controls.

This statement is issued in accordance with a resolution of the Directors dated 1st July 2013.

AUDIT COMMITTEE REPORT

COMPOSITION

The present members of the Committee comprise:

Chairman:

Dato' Jaafar Bin Jamaludin	*Independent Non-Executive Director*

Members:

Dato' Paduka Haji Ismail bin Haji Shafie	*Independent Non-Executive Director*
Dato' Paduka Haji Rasli bin Basir *(Appointed on 24th June 2013)*	*Independent Non-Executive Director*
Tan Hiang Joo	*Independent Non-Executive Director*
Kek Jenny	*Independent Non-Executive Director*

MEETINGS

The Audit Committee convened four meetings during the financial year. Save for Dato' Paduka Haji Ismail bin Haji Shafie who attended three meetings, the others directors attended all four meetings. The Company Secretary and representatives of the external auditors and internal auditors also attended the meetings upon invitation.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the Committee were as follows:

- Reviewed the external auditors' scope of work and audit plans for the year. Prior to the audit, representatives of the external auditors presented their audit strategy and plan;
- Reviewed with the external auditors' the results of the audit, the audit report and the response of management;
- Reviewed the Groups' quarterly and annual financial statements before recommending to the Board for approval;
- Reviewed the programme, plans, scope and results of work carried out by the internal audit function, which was outsourced to an independent firm of consultants, and the corrective actions taken by Management to address the findings raised by the internal audit function;
- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group;
- Reviewed key business proposals such as land acquisitions and investments and recommended proposals to the Board; and.
- Reviewed the Company's compliance with the Listing Requirements of Bursa Malaysia Securities Berhad, the Malaysian Accounting Standards Board and other relevant legal and regulatory requirements, particularly with regards to the quarterly and year end financial statements.

INTERNAL AUDIT FUNCTION

The effectiveness of the system of internal control is reviewed in two ways; firstly through the internal audit function, and secondly through the MS ISO 9001: 2008 certification, under the civil engineering and construction arm of the Group; as well as the hospitality and resort division.

AUDIT COMMITTEE REPORT (CONTINUED)

The internal audit function is currently outsourced to an independent firm of consultants, which is responsible for the review and appraisal of the internal control system within the Group. The scope and plan of their work, including the approach and the programme, is presented to the Audit Committee for approval before commencement of audit. The maintenance of the ISO 9001 certification requires two independent audits by Lloyds Register Quality Assurance and two internal quality audits per year.

These audits serve as platforms to ensure that the requisite internal controls are in place. More information on this is contained in the Statement on Internal Control set out on page 21 of the Annual Report.

TERMS OF REFERENCE

Objectives

The Audit Committee's (the "AC") aim is to assist the Board of Directors (the "Board") in fulfilling the following objectives:

- Review the Group's processes relating to its governance, risk and control environment;
- Oversee the corporate accounting and financial reporting practices; and
- Evaluate the internal and external audit processes.

Membership

The AC shall be appointed by the Board from amongst their number and shall be composed of no fewer than three (3) members, the majority of whom should be independent Directors.

All members of the AC must be non-executive directors.

All members of the AC shall be financially literate and at least one (1) member of the AC:

- Must be a member of the Malaysian Institute of Accountants ("MIA"); or
- If not a member of the MIA, the person must have at least three (3) years of working experience and:
  - The person must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967;or
  - The person must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- Fulfils such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The Board must ensure that no alternate Director is appointed as a member of the AC.

The members of the AC shall elect a Chairman from amongst their number who shall be an Independent Director. In the event of any vacancy in the AC resulting in the non-compliance of the above requirements, the vacancy shall be filled within 3 months.

Quorum and Committee's Procedures

Meetings shall be conducted at least four (4) times annually, or more frequently as circumstances dictate.

In order to form a quorum for a meeting, the majority of members present must be Independent Non-Executive Directors. In the absence of the Chairman, the members present shall elect a Chairman for the meeting from amongst the members present.

Any two (2) members of the AC present at the meeting shall constitute a quorum.

AUDIT COMMITTEE REPORT (CONTINUED)

The Company Secretary shall be appointed Secretary of the AC (the "Secretary") and in conjunction with the Chairman, shall draw up agenda, which shall be sent to all members of the AC and other persons who may be required/ invited to attend. All meetings to review the quarterly results and annual financial statements shall be held prior to such quarterly results and annual financial statements being presented to the Board for approval.

Notwithstanding the above, upon the request of any member of the AC, the external auditors or the internal auditors, the Chairman of the AC shall convene a meeting of the AC to consider matters brought to its attention. The external auditors have the right to appear and be heard at any meeting of the AC and shall appear before the AC when required to do so by the AC. The AC may as and when deemed necessary, invite other Board members and senior management members to attend the meetings.

The internal auditors shall be in attendance at meetings of the AC to present and discuss the audit findings and the recommendations relating to such findings.

It is at the AC's discretion to meet with the external auditors at least twice (2) a year without the presence of the Executive Directors. If the AC members are satisfied with the reporting practices as well as the level of independence shown by the external auditors, or they are able to clarify matters directly with the external auditors and do not feel the need to convene a meeting, this meeting shall not be held.

The AC shall regulate the manner of the proceedings of its meetings.

Authority and Rights

The AC shall in accordance with the procedure determined by the Board and at the cost of the Company:

- Have the authority to investigate any matter within its terms of reference;
- Have the resources which are required to perform its duties;
- Have direct communication channels with the external and internal auditors;
- Be able to obtain independent professional or other advice and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary; and
- Be able to convene meetings with the external auditors, the internal auditors of both, without the presence of the other Directors and employees of the Company, whenever deemed necessary.

Internal Audit

- The Company must establish an internal audit function which is independent of the activities it audits; and
- The Company must ensure its internal audit function reports directly to the AC.

Responsibilities and duties

In fulfilling its primary objectives, the AC shall undertake the following responsibilities and duties - review the following and report the same to the Board:

- with the external auditors, the audit scope and plan;
- with the external auditors, an evaluation of the quality and effectiveness of the accounting system;
- with the external auditors, the evaluation of the system of internal controls;
- with the external auditors, the audit report;

- the assistance rendered by employees of the Company to the auditors;
- with the internal auditors, the adequacy of the scope, functions, competency and resources of the internal audit function;
- and that it has the necessary authority to carry out its work;
- with the internal auditors, the adequacy and integrity of the internal control system and the efficiency of the Group's operations and efforts taken to reduce the Group's operational risks;
- the internal audit programme, processes and results, and the actions taken on the recommendations of the internal audit function;
- the appointment, performance and remuneration of the internal audit staff;
- the quarterly results and annual financial statements prior to the approval by the Board, focusing particularly on:
  - changes in or implementation of major accounting policy;
  - significant or unusual events;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- any related party transaction and conflict of interest situation that may arise within the Company / Group, including any transaction, procedure or course of conduct that raises questions of management integrity;
- the appointment and performance of external auditors, the audit fee and any question of resignation or dismissal before making recommendations to the Board;
- any letter of resignation from the external auditors;
- whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment;
- recommend the nomination of a person or persons as external auditors;
- with the external and internal auditors, major audit findings, reservations or material weaknesses and the Management's;
- response in resolving the audit issues reported during the year; and any other activities;
- the independence, suitability and objectivity of the External Auditors and their services, including non-audit services and the professional fees;
- the non-audit services provided to the Company for the financial year, including the nature of the non-audit services, fee levels of the non-audit services - individually and in aggregate relative to the external audit fees and safeguards deployed to eliminate or reduce the threat to objectivity and independence in the conduct of the external audit resulting from the non-audit services provided; and
- the development of and its review for recommendation to the Board, the Company's policy in relation to the provision of non-audit services by the external auditors, which amongst others, takes into consideration:
  - whether the skills and experience of the audit firm makes it a suitable service provider for non-audit services;
  - whether there are safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity or independence in the conduct of the audit resulting from non-audit services provided by the external auditors; and
  - the nature of the non-audit services, the related fee levels and the feel levels individually and in aggregate relative to the external audit fees of the Company.

DIRECTORS' REPORT

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 28 February 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are indicated in Note 7 to the financial statements.

There have been no significant changes in these activities during the financial year.

RESULT OF OPERATIONS

	GROUP RM	COMPANY RM
Net profit/(loss) for the financial year	16,691,190	(197,667)
Attributable to:		
Equity holders of the Company	14,845,511	(197,667)
Non-controlling interest	1,845,679	-
	16,691,190	(197,667)

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any dividend payment in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No new options were granted to any person to take up unissued shares of the Company since the end of the previous financial year.

DIRECTORS

The Directors who held office since the date of the last report are:-

Dato' Beh Huck Lee (Managing Director)
Dato' Jaafar bin Jamaludin
Datin Teoh Choon Boay
Tan Hiang Joo
Kek Jenny
Muhamad Faisal bin Tajudin
Dato' Paduka Haji Ismail bin Haji Shafie

During and at the end of the financial year, the Company was not a party to any arrangement whose object is to enable the Directors to acquire benefits through the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES

The Directors holding office at the end of the financial year and their beneficial interest in the ordinary shares and options over ordinary shares in the Company or ordinary shares, options over ordinary share and debentures of its related corporations at the end of the financial year ended 28 February 2013 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act 1965 were as follows:

	Number of ordinary shares of RM 1 each			
	At 1.3.2012	**Bought**	**Sold**	**At 28.2.2013**
Shares in the Company				
Direct interests				
Datin Teoh Choon Boay	234,416	-	-	234,416
Tan Hiang Joo	10,000	-	-	10,000
Dato' Beh Huck Lee	3,500,000			3,500,000
Indirect interests				
Dato' Beh Huck Lee	53,314,989	-	-	53,314,989
Datin Teoh Choon Boay	53,514,389	-	-	53,514,389
Muhamad Faisal bin Tajudin	31,008,392	-	-	31,008,392

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTEREST IN SHARES (continued)

By virtue of their interest in the ordinary shares of the Company, all the Directors except Dato' Jaafar bin Jamaludin, Tan Hiang Joo, Kek Jenny and Dato' Paduka Haji Ismail bin Haji Shafie, are deemed to have interest in the shares of all the subsidiaries to the extent the Company has an interest.

Other than disclosed above, none of the other Directors holding office at the end of the financial year held any beneficial interests in the ordinary shares and options over ordinary shares in the Company or ordinary shares, options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has substantial financial interest except for any benefits which may deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 37 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the Statements of Financial Position and Statements of Profit or Loss and Other Comprehensive Income of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financialyear have not been substantially affected by any item, transaction or event of a material and unusual nature.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(a) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts and the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(b) In the opinion of the Directors:

(a) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(iii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

III) AS AT THE DATE OF THIS REPORT

(a) There are no charges in the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(b) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(c) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONTINUED)

AUDITORS

The auditors, Messrs RSM Robert Teo, Kuan & Co., have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

MUHAMAD FAISAL BIN TAJUDIN

DATO' BEH HUCK LEE

Sungai Petani, Kedah Darul Aman
21 June 2013

STATEMENTS OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2013

	Note	GROUP 2013 RM	GROUP Restated 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
ASSETS					
Non-current assets					
Property, plant and equipment	6	75,286,090	76,835,530	5	204
Investments in subsidiaries	7	-	-	116,920,129	116,921,213
Investments in joint venture	8	1,109,812	828,791	-	-
Other investments	9	12,380	164,184	-	-
Land held for property development	10	144,989,813	107,018,270	-	-
Investment properties	11	32,225,986	29,834,160	-	-
Deferred plantation expenditure	12	121,482	246,377	-	-
Deferred tax assets	13	1,185,506	1,283,675	-	-
		254,931,069	216,210,987	116,920,134	116,921,417
Current assets					
Property development costs	14	72,580,368	61,638,936	-	-
Inventories	15	12,207,748	13,951,517	-	-
Trade and other receivables	16	48,797,094	43,053,090	4,500	4,500
Amount owing from subsidiaries	17	-	-	39,776,910	37,782,888
Sinking funds	18	210,857	242,548	-	-
Tax recoverable		413,115	1,510,652	278,450	399,936
Cash and cash equivalents	19	27,639,339	23,898,299	3,551	88,794
		161,848,521	144,295,042	40,063,411	38,276,118
TOTAL ASSETS		416,779,590	360,506,029	156,983,545	155,197,535

STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 28 FEBRUARY 2013

	Note	GROUP 2013 RM	GROUP Restated 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	20	128,000,000	128,000,000	128,000,000	128,000,000
Reserves	21	133,864,496	119,282,781	23,590,651	23,973,296
		261,864,496	247,282,781	151,590,651	151,973,296
Non-controlling interest		8,021,159	6,046,396	-	-
TOTAL EQUITY		269,885,655	253,329,177	151,590,651	151,973,296
LIABILITIES					
Non-current liabilities					
Borrowings	22	40,107,949	15,018,571	-	-
Deferred tax liabilities	13	17,383,646	16,905,861	-	-
		57,491,595	31,924,432	-	-
Current liabilities					
Trade and other payables	28	68,219,398	54,485,404	57,000	55,490
Amount owing to subsidiaries	17	-	-	5,335,894	3,168,749
Provisions	30	6,123,139	4,217,804	-	-
Borrowings	22	12,977,113	15,740,768	-	-
Current tax payable		2,082,690	808,444	-	-
		89,402,340	75,252,420	5,392,894	3,224,239
TOTAL LIABILITIES		146,893,935	107,176,852	5,392,894	3,224,239
TOTAL EQUITY AND LIABILITIES		416,779,590	360,506,029	156,983,545	155,197,535

The annexed notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

		GROUP		COMPANY	
			Restated		
	Note	2013 RM	2012 RM	2013 RM	2012 RM
REVENUE	31	146,638,378	143,052,023	-	260,004
COST OF SALES	32	(107,767,553)	(116,220,706)	-	-
GROSS PROFIT		38,870,825	26,831,317	-	260,004
OTHER OPERATING INCOME		2,134,055	1,929,861	221,771	30,375
MARKETING AND DISTRIBUTION COSTS		(2,597,590)	(2,144,560)	-	-
ADMINISTRATIVE EXPENSES		(9,460,640)	(8,809,361)	(180,548)	(215,258)
OTHER OPERATING EXPENSES		(2,245,629)	(2,781,592)	(238,890)	(323,616)
FINANCE COSTS		(1,645,852)	(1,322,072)	-	-
SHARE OF RESULTS IN JOINT VENTURE		(51,345)	(3,142)	-	-
PROFIT/(LOSS) BEFORE TAX	33	25,003,824	13,700,451	(197,667)	(248,495)
TAX EXPENSE	34	(8,312,634)	(4,500,609)	-	30,834
NET PROFIT/(LOSS) FOR THE FINANCIAL YEAR		16,691,190	9,199,842	(197,667)	(217,661)
OTHER COMPREHENSIVE (EXPENSES)/INCOME					
- UNREALISED (LOSS)/ GAIN ON FOREIGN EXCHANGE DIFFERENCE		(184,978)	342,297	(184,978)	342,297
- FOREIGN CURRENCY TRANSLATION DIFFERENCES FOR FOREIGN OPERATION		443	-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES)		16,506,655	9,542,139	(382,645)	124,636

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

		GROUP		COMPANY	
			Restated		
	Note	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(Loss) attributable to:					
Equity holders of the Company		14,845,511	6,566,721	(197,667)	(217,661)
Non-controlling interest		1,845,679	2,633,121	-	-
		16,691,190	9,199,842	(197,667)	(217,661)
Total comprehensive income/ expense attributable to:					
Equity holders of the Company		14,660,976	6,909,018	(382,645)	124,636
Non-controlling interest		1,845,679	2,633,121	-	-
		16,506,655	9,542,139	(382,645)	124,636
Basic earnings per ordinary share attributable to equity holders of the Company (sen)	35	11.60	5.13		

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

	←— Attributable to equity holders of the Company —→						
	← Non-distributable →			Distributable			
GROUP	**Ordinary share capital RM**	**Share premium RM**	**Translation reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
Balance as at 1 March 2011	128,000,000	5,982,397	-	106,391,366	240,373,763	3,413,275	243,787,038
Total comprehensive income for the financial year	-	-	-	6,909,018	6,909,018	2,633,121	9,542,139
Balance as at 29 February 2012	128,000,000	5,982,397	-	113,300,384	247,282,781	6,046,396	253,329,177
Dividends paid to non-controlling interest of a subsidiary company	-	-	-	(79,261)	(79,261)	-	(79,261)
Additional non-controlling interests arising on the acquisition of a subsidiary	-	-	-	-	-	3,000	3,000
Effects arising from changes in composition of the Group	-	-	-	-	-	126,084	126,084
Total comprehensive income for the financial year	-	-	443	14,660,533	14,660,976	1,845,679	16,506,655
Balance as at 28 February 2013	128,000,000	5,982,397	443	127,881,656	261,864,496	8,021,159	269,885,655

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

COMPANY	Ordinary share capital RM	Non-distributable Share premium RM	Distributable Retained earnings RM	Total RM
Balance as at 1 March 2011	128,000,000	5,982,397	17,866,263	151,848,660
Total comprehensive income for the financial year	-	-	124,636	124,636
Balance as at 29 February 2012	128,000,000	5,982,397	17,990,899	151,973,296
Total comprehensive expense for the financial year	-	-	(382,645)	(382,645)
Balance as at 28 February 2013	128,000,000	5,982,397	17,608,254	151,590,651

The annexed notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	125,928,881	142,032,542	-	-
Cash payments to suppliers and creditors	(79,796,289)	(102,535,249)	-	-
Cash payments to employees and for expenses	(20,708,911)	(18,291,056)	(417,729)	(534,485)
Cash generated from/(used in)operations	25,423,681	21,206,237	(417,729)	(534,485)
Insurance claim received	-	180,200	-	-
Rental income received	404,012	451,576	-	-
Bank overdraft interest paid	(307,302)	(116,976)	-	-
Deposit received	374,605	377,184	-	-
Tax refund	778,578	2,069,743	121,486	-
Tax paid	(6,153,196)	(5,405,853)	-	-
Net cash from/(used in) operating activities	20,520,378	18,762,111	(296,243)	(534,485)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of subsidiary companie	-	-	-	(3,614)
Advances from joint venture partner	4,875,001	2,325,000	-	-
Advances to subsidiaries	-	-	211,000	280,114
Subsequent expenditure on investment properties	(1,000,000)	-	-	-
Repayments to subsidiaries	-	-	-	-
Deposit paid for acquisition of leasehold land	(36,274,437)	(14,349,405)	-	-
Dividend received	2,929	2,852	-	260,004
Interest income received	858,084	533,682	-	-
Investment in joint venture	(352,550)	(831,933)	-	-
Investment in unit trust	153,063	(5,235)	-	-
Proceeds from disposal of property, plant and equipment	36,250	-	-	-
Purchase of property, plant and equipment*	(2,813,020)	(2,393,313)	-	-
Purchase of investment properties	(2,391,826)			
Net placement of fixed deposits	(116,699)	(199,908)	-	-
Net cash (used in)/from investing activities	(37,023,205)	(14,918,260)	211,000	536,504

STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Dividend paid to non-controlling interest of a subsidiary company	(79,262)	-	-	-
Drawdown of term loan	29,385,860	9,479,000	-	-
Drawdown of revolving credit	12,700,000	5,400,000	-	-
Net creation of bankers' acceptances	(381,000)	159,000	-	-
Proceeds from issuance of ordinary shares to noncontrolling interests of a subsidiary company	127,999	-	-	-
Repayments of term loan	(5,482,672)	(2,696,134)	-	-
Repayments of revolving credit	(14,200,000)	(5,800,000)	-	-
Repayments of hire-purchase	(22,420)	(15,589)	-	-
Term loan interest paid	(1,956,308)	(1,018,785)	-	-
Revolving credit interest paid	(86,958)	(340,783)	-	-
Discount paid on bankers' acceptances	(145,798)	(174,840)	-	-
Hire-purchase interest paid	(2,968)	(3,971)	-	-
Advances from Directors	-	(3,614)	-	-
Net cash from financing activities	19,856,473	4,984,284	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	3,353,646	8,828,135	(85,243)	2,019
EFFECT OF TRANSLATION DIFFERENCE	(1,261)	-	-	-
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	21,505,542	12,677,407	88,794	86,775
CASH AND CASH EQUIVALENTS CARRIED FORWARD (NOTE 19)	24,857,927	21,505,542	3,551	88,794

* Acquisition of property, plant and equipment of the Group and of the Company during the financial year are financed by:

Cash	2,813,020	2,393,313	-	-
Hire purchase	54,000	-	-	-
	2,867,020	2,393,313	-	-

The annexed notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
28 FEBRUARY 2013

1. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are indicated in Note 7 to the financial statements.

There have been no significant changes in these activities during the financial year.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards ("FRSs") issued by the Malaysian Accounting Standards Board ("MASB") and the provisions of the Companies Act, 1965 in Malaysia except that supplementary information on the disclosure of realised and unrealised profit or loss has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive issued by Bursa Malaysia Securities Berhad.

The Group and the Company fall under the Transitioning Entities provision granted by the MASB because it is within the scope of IC 15 Agreements for the Construction of Real Estate and FRS 141 Agriculture.

The Group and the Company continued to prepare these financial statements for annual period beginning on 1 March 2012 in accordance with the FRSs issued by the MASB.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgments, estimates and assumptions are disclosed in Note 5 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

(b) recognise immediately in profit or loss any excess remaining after that reassessment.

When a business combination includes more than one exchange transactions, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of consolidation (continued)

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated statement of profit or loss and other comprehensive income.

Non-controlling interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Non-controlling interest is presented in the consolidated statement of financial position within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Non-controlling interest in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss for the financial year between minority interest and equity holders of the Company.

For purchases of a subsidiary's equity shares from minority shareholders for cash consideration and the purchase price is established at fair value, the accretion of the Group's interests in the subsidiary is treated as purchase of equity interest under the acquisition method of accounting. The identifiable assets and liabilities acquired are adjusted to their fair values, with the resulting difference being attributed to goodwill or excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of business combination (previously known as negative goodwill).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of consolidation (continued)

When a subsidiary issues new equity shares to non-controlling interests for cash consideration and at fair value, the reduction in the Group's interests in the subsidiary should be treated as disposal of equity interests for which the gain or loss should be recorded in the consolidated statement of profit or loss and other comprehensive income. The gain or loss on disposal is the difference between the Group's share of net assets immediately before and immediately after disposal and a ratable portion of goodwill which is realised.

For purchases or disposals from or to minority shareholders for consideration other than cash and not at fair value, the accretion or dilution of the Group's interests is treated as an equity transaction between the Group and its minority shareholders. The difference between the Group's share of net assets immediately before and immediately after the change in stakes, and any consideration received or paid is adjusted against the Group's reserves.

All other changes in stakes and changes in composition of the Group are treated as equity transactions between the Group and its majority and minority shareholders. The difference between the Group's share of net assets before and after the change, and any consideration received or paid is adjusted to or against the Group's reserves.

3.3 Investments

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding more than one half of the voting rights. The existence and effect of the potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The Group's financial statements incorporate the results, cash flows, assets and liabilities of Eupe Corporation Berhad and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date on which the Group effectively obtains control of the acquired business, until that control ceases.

Control exists when the Group has the power to govern the financial and operating policies so as to gain benefits from its activities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Investments (continued)

(a) Subsidiaries (continued)

The non-controlling interests in the net assets and net results of consolidated subsidiaries are shown separately in the consolidated statement of financial position and consolidated statement of profit and loss and other comprehensive income.

Total comprehensive income (i.e. profit or loss and each component of other comprehensive income) is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficits balance.

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

(b) Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity for which the strategic financial and operating decisions require the unanimous consent of the parties sharing control (i.e. existence of joint control).

Interests in joint venture entities are recognised using the equity method of accounting of accounting based on the latest audited and/or management financial statements of the jointly controlled entities made up to 28 February 2013.

Profits on Group transactions with joint ventures are eliminated on consolidation to the extent of the Group's interest in the relevant joint venture.

(c) Translation of financial statements of foreign entities

The assets and liabilities of foreign operations are translated in to RM using exchange rates at the reporting date. The components of shareholders' equity are stated at historical value.

Average exchange rates for the period are used to translate income and expense items of foreign operations. However, if exchange rates fluctuate significantly, the exchange rates at the dates of the transactions are used.

All resulting exchange difference are recognised in other comprehensive income and accumulated in a separate component of equity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Investments (continued)

(d) Other investments

Non-current investment other than investments in subsidiaries and investment properties are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as and expense in the period in which the decline is identified.

Marketable securities are carried at the lower of cost and market value, determined on a aggregate portfolio basis by category of investment. Market value is calculated by reference to quoted market selling price at the close of business on the reporting date.

Upon disposal of such investment are the difference between net disposal proceeds and its carrying amount is recognised in the profit or loss and other comprehensive income.

3.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful lives, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land are stated at cost less any accumulated deprecation and accumulated impairment losses, if any.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Property, plant and equipment and depreciation (continued)

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Renovation, electrical and amusement equipment	10% to 20%
Motor vehicles	20%
Furniture, fittings and equipment	10% to 20%
Sports equipment, machinery and others	10% to 20%

Freehold land is not depreciated as it has an infinite life. Construction-in-progress represents farm house construction-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

At each reporting date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write-down is made if the carrying amount exceeds the recoverable amount (see Note 3.10 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, the carrying amount is included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property development activities

(a) Land held for property development

Land held for property development is stated at cost less impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value.

When revenue recognised in the profit or loss exceeds progress billings to purchasers, the balance is classified as accrued billings under current assets. When progress billings exceed revenue recognised in the profit or loss, the balance is classified as progress billings under current liabilities.

3.6 Construction contracts

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Construction contracts (continued)

When the total costs incurred on construction contracts plus recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers for contract work. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers for contract work.

3.7 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Building fittings that are attached to the buildings are also classified as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value. The fair value of investment properties are the prices at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties reflect market conditions at the reporting date, without any deduction for transaction costs that may be incurred on sale or other disposal.

Fair values of investment properties are arrived at by reference to market evidence of transaction prices for similar properties. It is performed by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in the profit or loss in the financial year in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in the profit or loss in the period of the retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Leases and hire-purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire-purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determined; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in the profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interest in the land element and the buildings element of the lease at the inception of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.8 Leases and hire-purchase (continued)

(c) Leases of land and buildings (continued)

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront payments made on entering into or acquiring leasehold land are accounted as prepaid lease payments and are amortised over the lease term on a straight line basis.

The buildings element is classified as a finance or operating lease in accordance with Note 3.8(a) or Note 3.8 (b) to the financial statements. If the lease payment cannot be allocated reliably between these two elements, the entire lease is classified as a finance lease, unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

Leasehold golf course and club building which has remaining lease period of 37 years are amortised over the original period of 54 years.

3.9 Deferred plantation expenditure

New planting expenditure which is incurred from land clearing to the point of harvesting and replanting expenditure which is incurred in replanting old planted areas, are capitalised under deferred plantation expenditure and amortised to the profit or loss on a systematic basis of 10 years commencing from the year of harvesting.

3.10 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries), inventories, property development costs, assets arising from construction contract, deferred tax assets, and investment properties measured at fair value, are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

NOTES TO THE FINANCIAL STATEMENTS
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of non-financial assets (continued)

The recoverable amount of an asset is estimated for the individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit and loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro-rata basis of the carryingamount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

An impairment loss for asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in the profit or loss.

3.11 Inventories

Inventories are stated at the lower of cost and net realisable value.

(a) Unsold completed properties

The cost of unsold completed properties held for sale comprises cost associated with the acquisition of land, direct costs, appropriate proportions of common costs and other costs of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Inventories (continued)

(b) Building materials and resort operating supplies

Cost is determined using the first-in, first-out basis and comprises the original cost of purchase plus the cost of bringing the inventories to their intended location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, bank overdraft, deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

For the purpose of the statement of cash flows only, cash and cash equivalents include bank overdrafts repayable on demand. Since the characteristics of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn, they are considered an integral part of the Company's cash management.

3.13 Interest bearing loans and borrowings

(a) All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transactions costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost with any difference between cost and redemption value being recognised in the profit or loss over the period of the loans and borrowings using the effective interest method.

Interest relating to financial liabilities is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve (12) months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Interest bearing loans and borrowings (continued)

(b) Capitalisation of borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income from temporary investment of the borrowing.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

3.14 Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of share issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to the profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in the statement of profit or loss and other comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

3.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Provisions (continued)

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each statement of financial position and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

3.16 Financial instruments

A. Financial assets

Description

A financial instrument is any contract that gives rise to both a financial asset on one enterprise and a financial liability or equity instrument of another enterprise.

(a) Initial recognition and measurement

A financial asset is recognised on the statement of financial positon when, and only when, the Company become a party to the contractual provisions of the financial instrument. When the financial asset is recognised initially, it is measured at fair value which is normally represented by the transaction price. The transaction price for financial asset not classified at fair value through statement of comprehensive income includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

(b) Subsequent measurement

Subsequent measurement of financial assets depends on the classification of the financial assets on initial recognition and the purpose for which the financial assets were acquired. The Company classifies the financial assets in the following category:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments (continued)

A. Financial assets (continued)

(b) Subsequent measurement (continued)

(i) Financial assets at fair value through profit or loss (FVTPL)

Assets are classified in this category when they are held principally for the purpose of selling or repurchasing in the near term (trading assets) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or meet the conditions for designation in this category at initial recognition.

Gains or losses arising on remeasurement of financial assets at FVTPL incorporate any dividend or interest earned and are recognised in profit or loss.

For the years ended on 28 February 2013, the Company did not classify any financial assets as held for trading or designated as at fair value through profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that the Company intends to sell immediately or in the near term cannot be classified in this category. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility.

Typically trade and other receivables (excluding prepayments and non-refundable deposits) and cash and cash equivalents are classified in this category.

(iii) Held-to-maturity financial assets

These are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to hold to maturity. Financial assets that upon initial recognition the Company designates as at fair value through profit or loss or available-for-sale and those that meet the definition of loans and receivables cannot be classified in this category. Similar to Loan and Receivables, these assets are carried at amortised cost using the effective interest method minus any reduction for impairment or uncollectibility.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments (continued)

A. Financial assets (continued)

(b) Subsequent measurement (continued)

(iii) Held-to-maturity financial assets (continued)

For the year ended on 28 February 2013, the Company did not carry any financial asset classified in this category.

(iv) Available-for-sale (AFS) financial assets

These are non-derivative financial assets that are designated as available-for-sale on initial recognition or are not classified in one of the previous categories. They are carried at their fair value.

Except for impairment losses, foreign exchange gains and losses, and gains and losses of hedged items attributable to hedge risks of fair value hedges that are recognised in profit or loss, changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated in revaluation reserve, until the investment is disposed of or is determined to be impaired. At that time, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified from equity to profit or loss.

(c) Derecognition of financial assets

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

(d) Regular way purchases or sales

Regular way purchases or sales are purchases or sales of financial asset that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, that is, the date that the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments (continued)

A. Financial assets (continued)

(e) Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a Company of financial assets is impaired.

Trade and other receivables and other financial assets carried at amortised cost

An impairment loss is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the receivable, a breach of contract or adverse changes in the payment status of the receivable are considerations to determine whether there is any objective evidence that the trade receivable is impaired. To the extent possible, impairment is determined individually for each item. In cases where that process is not possible, a collective evaluation of impairment is performed. As a consequence, the way individual and collective evaluation is carried out and the timing relating to the identification of objective evidence of impairment require significant judgment and may materially affect the carrying amount of receivables at the reporting date.

The amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit or loss. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments (continued)

B. Financial liabilities

(a) Initial recognition and measurement

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. On initial recognition, the financial liability is recognised at fair value. The fair value is normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

(b) Subsequent measurement

Financial liabilities falling within the scope of FRS 139 are classified according to the substance of the contractual arrangements entered into.

Subsequent measurement based on the Company's classification of the financial liabilities in one of the following two categories:

(i) Liabilities at fair value through profit or loss (FVTPL)

Liabilities are classified in this category when they are held principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or meet the conditions for designation in this category. All changes in fair value relating to liabilities at fair value through profit or loss are charge to profit or loss as they arise.

For the years that ended on 28 February 2013, the Company did not classify any financial liabilities held for trading or designated as at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 Financial instruments (continued)

B. Financial liabilities (continued)

(b) Subsequent measurement (continued)

(ii) Other financial liabilities

All liabilities which have not been classified in the previous category fall into this residual category.

These liabilities are carried at amortised cost using the effective interest method.

Typically, trade and other payables and borrowings are classified in this category.

Items classified within trade and other payables are not usually remeasured, as the obligation is known with a high degree of certainty and settlement is short term.

(c) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Sale of completed properties

Revenue from sale of completed properties is recognised in the profit or loss when significant risks and rewards of ownership have been transferred to the customers.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue recognition (continued)

(b) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is affected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the repoting date. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to-date bear to the estimated total property development cost.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable to be recoverable and the property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(c) Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers.

(d) Revenue from rendering of services

Revenue from the provision of tuition, sports and recreation services is recognised upon rendering of these services unless collectibility is in doubt.

(e) Construction contracts

Profits from contract works are recognised on a percentage of completion method. Percentage of completion is determined on the proportion of contract costs incurred for work performed to-date against total estimated costs where the outcome of the project can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Revenue recognition (continued)

(e) Construction contracts (continued)

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

(f) Sale of building materials and playground materials

Revenue from sale of building and playground materials are recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery of goods and acceptance by customers.

(g) Revenue from water theme park

Entrance fees collected for right of enjoyment of facilities are recognised when tickets are sold.

(h) Club subscription fees

Club subscription fees are recognised on the accrual basis.

(i) Rental income

Rental income is recognised on a straight line basis over the term of an ongoing lease.

(j) Dividend income

Dividend income is recognised when the right to receive payment is established.

(k) Interest income

Interest income is recognised as it accrues, using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave and bonuses and non-monetary benefits are recognised as an expense in the year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Group's contributions to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(c) Share-based payments

The Group operates an equity-settled share-based compensation plan, allowing the employees of the Group to acquire ordinary shares of the Company at predetermined prices. The total fair value of share options granted to employees is recognised as an expense with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on the vesting date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Employee benefits (continued)

(c) Share-based payments (continued)

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the statement of profit or loss and other comprehensive income, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share options reserve until the options are exercised, upon which it will be transferred to share premium, or until the options expires, upon which it will be transferred directly to retained earnings.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

3.19 Income taxes

Income taxes include all domestic taxes on taxable profit and real property gains taxes payable on disposal of properties.

Taxes in the profit or loss comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the reporting date.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Income taxes (continued)

(b) Deferred tax (continued)

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the financial year when the asset is realised or the liability settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

3.20 Foreign currency

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Foreign currency transactions

Foreign currency monetary assets and liabilities are translated into the functional currency of the concerned entity of the Group using the exchange rates at the reporting date. Gains and losses arising from changes in exchange rates after the date of the transaction are recognised in profit or loss (except when deferred in other comprehensive income as qualifying cash flow hedges).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Foreign currency (continued)

(b) Foreign currency transactions (continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Translation differences on non-monetary items that are measured at fair value in a foreign currency (e.g. available-for-sale equity instruments) are translated using the exchange rates at the date when the fair value is determined.

(c) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

The income and expenses of foreign operations in hyperinflationary economies are translated to RM at the exchange rate at the end of the reporting period. Prior to translating the financial statements of foreign operations in hyperinflationary economies, their financial statements for the current period are restated to account for changes in the general purchasing power of the local currency. The restatement is based on relevant price indices at the end of the reporting period.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Foreign currency (continued)

(c) Operations denominated in functional currencies other than Ringgit Malaysia (continued)

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FCTR in equity.

3.21 Earnings per share

The Group presents basic and dilutive earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. For diluted earnings per share calculation, the weighted average number of ordinary shares in issues is adjusted to assume conversion of all dilutive potential ordinary shares.

3.22 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recongise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.23 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transaction with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Operating Decision Maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3.24 Adoption of the guiding principles of Financial Reporting Standards Implementation Committee Consensus 18: Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad ("FRSIC Consensus 18")

FRSIC Consensus 18 was developed by the Financial Reporting Standards Implementation Committee ("FRSIC") and issued by the Malaysian Institue of Accountants ("MIA" or "Institute") on 18 September 2012.

In accordance with FRSIC Consensus 18, it was suggested that the recognition of the trust monies as assets of an entity with corresponding liabilities may not be appropriate from the context of FRSs. FRSIC Consensus 18 provides guiding principles on the accounting of monies held in trust by entities who hold monies in trust account for third parties.

FRSIC Consensus 18 provides that the trust monies do not constitute part of the Group's assets because they do not have control over the trust monies to obtain the future economic benefits embodied in trust monies. Although the Group is required to maintain the trust monies pursuant to the Deed of Trust executed between the Group, the Trustee and several persons who acquire membership in respect of the gold club, it does not have any contractual or statutory obligation to the trust monies that would result in an outflow of resources embodying economic benefits from it. However, a liability will be recognised in the event of a loss of trust monies which would result in the payment of any compensation by the Group to the members.

Hence, the recognition of the trust monies as part of the assets with corresponding liabilities is inappropriate from the context of FRSs. As such, the Group have implemented the guiding principles of FRSIC Consensus 18 accordingly.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.24 Adoption of the guiding principles of Financial Reporting Standards Implementation Committee Consensus 18: Monies Held in Trust by Participating Organisations of Bursa Malaysia Securities Berhad ("FRSIC Consensus 18") (continued)

This change due to the adoption of the guiding principles of FRSIC Consensus 18 has been accounted for retrospectively and has resulted in a decrease in the sinking funds balances and the corresponding other payables in the statements of financial position. A summary of the financial impact of the change in accounting policy of the financial statements of the Group are as follows:

	2012 RM
Statements of Financial Position	
Sinking funds	
As previously stated	879,664
Effect of change due to adoption of the guiding principles of FRSIC Consensus 18	(637,116)
As restated	242,548
Trade and other payables	
As previously stated	55,122,520
Effect of change due to adoption of the guiding principles of FRSIC Consensus 18	(637,116)
As restated	54,485,404

4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS

4.1 FRSs, Amendments to FRSs and Interpretations adopted

The Group and the Company have early adopted the amendments to FRS 101 Presentation of Financial Statements which are effective for annual periods beginning on or after 1 July 2012. The early adoption of the amendments to FRS 101 has no impact on the financial statements other than the presentation format of the statements of profit or loss and other comprehensive income.

4.2 New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted

The following are accounting standards, amendments and interpretations of the FRS framework that have been issued by the MASB but have not been adopted by the Group and the Company:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (continued)

4.2 New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 10 *Consolidated Financial Statements*
- FRS 11 *Joint Arrangements*
- FRS 12 *Disclosure of Interests in Other Entities*
- FRS 13 *Fair Value Measurement*
- FRS 119 *Employee Benefits (2011)*
- FRS 127 *Separate Financial Statements (2011)*
- FRS 128 *Investments in Associates and Joint Ventures (2011)*
- IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
- Amendments to FRS 7 *Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 1 *First-time Adoption of Financial Reporting Standards - Government Loans*
- Amendments to FRS 1 *First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))*
- Amendments to FRS 101 *Presentation of Financial Statements (Improvements to FRSs (2012))*
- Amendments to FRS 116 *Property, Plant and Equipment (Improvements to FRSs (2012))*
- Amendments to FRS 132 *Financial Instruments: Presentation (Improvements to FRSs (2012))*
- Amendments to FRS 134 *Interim Financial Reporting (Improvements to FRSs (2012))*
- Amendments to FRS 10 *Consolidated Financial Statements: Transition Guidance*
- Amendments to FRS 11 *Joint Arrangements: Transition Guidance*
- Amendments to FRS 12 *Disclosure of Interests in Other Entities: Transition Guidance*
- Amendments to IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvement 2009-2011 Cycle)*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to FRS *132 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
- Amendments to FRS 10 *Consolidated Financial Statements - Investment Entities*
- Amendments to FRS 12 *Disclosure of Interests in Other Entities - Investment Entities*
- Amendments to FRS 127 *Separate Financial Statements - Investment Entities*

4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (continued)

4.2 New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted (continued)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- FRS 9 *Financial Instruments (2009)*
- FRS 9 *Financial Instruments (2010)*
- Amendments to FRS 7 *Financial Instruments: Disclosure - Mandatory Date of FRS 9 and Transition Disclosures*

The directors anticipate that the accounting standards, amendments and interpretations will be adopted by the Group and the Company when they become effective except for IC Interpretation 20 which is not applicable to the Group and the Company.

The Group has assessed, where practicable, the potential impact of all these accounting standards, amendments and interpretations that will be effective in future period, as below:

FRS 9 *Financial Instruments*

This standard introduces new requirements for the classification and measurement of financial assets and financial liabilities and for derecognition.

FRS 9 requires all recognised financial assets that are within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

The most significant effect of FRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under FRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Currently, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (continued)

4.2 New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted (continued)

FRS 9 *Financial Instruments* (continued)

The derecognition provisions are carried over almost unchanged from FRS 139.

FRS 9 is effective for annual periods beginning on or after 1 January 2015 (with earlier application permitted). The adoption of FRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting FRS 9.

FRS 10 *Consolidated Financial Statements*

The new Standard identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee, and sets out the principles for the preparation of consolidated financial statements. It introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities, where (i) control is based on whether an investor has power over the investee, (ii) exposure/rights to variable returns from its involvement with the investee, and (iii) the ability to use its power over the investee to affect the amount of the returns. FRS 10 supersedes FRS 127 *Consolidated and Separate Financial Statements* and IC Interpretation 112 *Consolidation - Special Purpose Entities* and is effective for annual periods beginning on or after 1 January 2013.

FRS 11 *Joint Arrangements*

The new Standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. Joint arrangements are either joint operations or joint ventures:

- In a joint operation, parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint operators recognise their assets, liabilities, revenue and expenses in relation to their interest in the joint operation using the applicable FRSs.

- In a joint venture, parties have rights to the net assets of the arrangement. A joint venturer applies the equity method of accounting for its investment in a joint venture in accordance with FRS 128 *Investments in Associates and Joint Ventures* (2011). Unlike FRS 131, the use of 'proportionate consolidation' is not permitted.

  FRS 11 is effective for annual periods beginning on or after 1 January 2013.

4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (continued)

4.2 New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted (continued)

FRS 12 *Disclosure of Interests in Other Entities*

The new Standard combines, enhances and replaces the disclosure requirements for subsidiaries, joint arrangements, associates and unconsolidated structured entities. It requires extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows. FRS 12 is effective for annual periods beginning on or after 1 January 2013.

FRS 13 *Fair Value Measurement*

The new Standard defines fair value, sets out in a single FRS framework for measuring fair value and requires disclosures about fair value measurements. FRS 13 applies when other FRSs require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in FRS or address how to present changes in fair value. The new requirements are effective for annual periods beginning on or after 1 January 2013.

FRS 119 *Employee Benefits* (2011)

The amendments to FRS 119 change the accounting for defined benefit plans and termination benefits.

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor method' permitted under the previous version of FRS 119 and accelerate the recognition of past service costs.

The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus.

The amendments are effective for annual periods beginning on or after 1 January 2013 and require retrospective application. The Group is currently assessing the financial impact of adopting the amendments to FRS 119.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

4. ADOPTION OF FRSs, AMENDMENTS TO FRSs AND INTERPRETATIONS (continued)

4.2 New/ Revised FRSs, Amendments to FRSs and Interpretations not adopted (continued)

FRS 127 *Separate Financial Statements* (2011)

The revised and re-titled Standard now only deals with the requirements for separate financial statements, which have been carried over largely unamended from FRS 127 Consolidated and Separate Financial Statements. The Standard mainly requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with FRS 9 Financial Instruments. It also deals with the recognition of dividends, certain group reorganisations and includes a number of disclosure requirements. It is effective for annual periods beginning on or after 1 January 2013.

FRS 128 *Investments in Associates and Joint Ventures* (2011)

The revised and re-titled Standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. It defines 'significant influence', provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases) and prescribes how investments in associates and joint ventures should be tested for impairment. It is effective for annual periods beginning on or after 1 January 2013.

Amendments to FRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments allow investors to bridge differences in the offsetting reporting requirements of FRS and US GAAP and introduce new disclosures that provide better information on how companies mitigate credit risk, including on related collateral pledged or received. They are effective for annual periods beginning on or after 1 January 2013.

Amendments to FRS 132 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

The amendments address inconsistencies in current practice when applying the offsetting criteria in FRS 132, mainly by clarifying the meaning of 'currently has a legally enforceable right of set-off' and that some gross settlement systems may be considered equivalent to net settlement. They are effective for annual periods beginning on or after 1 July 2014.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing its financial statements, the Group and the Company have made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The Group and the Company periodically monitor such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

(a) Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(i) Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purpose. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matter in the ordinary course of the business.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Depreciation and amortisation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives based on common life expectancies applied in the industry. Change in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; and therefore future depreciation and amortisation charges could be revised.

(ii) Recognition of property development profits

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(iii) Recognition of revenue from construction contracts

The Group recognizes construction contract revenue and expenses in the profit or loss using the stage of completion method. The stage of completion is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total construction projects. In making the judgement, the Group evaluates based on experience and by relying on the work of specialists.

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Key sources of estimation uncertainty (continued)

(iv) Income tax and deferred tax estimation

Management judgement is required in determining the provision for income taxes, deferred tax assets and liabilities and the extent to which deferred tax assets can be recognised. There are transactions and computations for which the ultimate tax determination may be difference from the initial estimate.

The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provision in the period in which such determination is made.

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances and agriculture allowances to the extent that it is probable that taxable profit will be available against which the tax losses, capital and agriculture allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level timing and level of future taxable profits together with future tax planning strategies.

(v) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group consider factors such as analyse historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

(vi) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Key sources of estimation uncertainty (continued)

(vii) Impairment of assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the Cash Generating Unit ("CGU") to which the asset is allocated, the Directors and management is required to make an estimate of the expected future cash flows from the CGU and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(viii) Fair value of investment properties

The fair value of each investment property is individually determined by independent registered valuer based on Cost and Investment Methods and Comparison Method of valuation or regular intervals.

The valuer has relied on the discounted cash flow analysis and the comparison method. These methodologies are based upon estimates of future results and a set of assumptions specific to each property to reflect its income and cash flow profile.

In the years that no valuation performed by the independent registered valuer, the Directors will perform the valuation based on the occupancy rate and rental yield. Comparison and reference will be made to the valuation previously performed by the independent registered valuer on that particular property.

6. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:-

GROUP 2013	Freehold land RM	Leasehold land RM	Buildings RM	Renovation, electrical and amusement equipment RM	Motor vehicles RM	Motor vehicles under hire-purchase RM	Furniture, fittings and equipment RM	Sports equipment, machinery and others RM	Total RM
Cost									
At 1 March 2012	24,545,777	40,000,000	19,930,596	8,342,103	1,869,744	696,104	10,507,463	16,130,811	122,022,598
Additions	-	-	857	377,347	91,603	-	425,401	1,971,812	2,867,020
Write-offs	-	-	-	(5,509)	-	-	(24,254)	(70,166)	(99,929)
Disposals	-	-	-	-	-	-	(820)	(1,576,550)	(1,577,370)
Reclassification	(400,000)	-	395,500	-	606,000	(606,000)	56,681	(2,582)	49,599.
At 28 February 2013	24,145,777	40,000,000	20,326,953	8,713,941	2,567,347	90,104	10,964,471	16,453,325	123,261,918
Accumulated depreciation									
At 1 March 2012	-	11,811,449	6,491,977	5,582,585	1,750,863	636,035	8,459,071	10,455,088	45,187,068
Charge for the financial year	-	740,741	910,571	490,653	36,537	18,021	568,686	1,145,225	3,910,434
Write-offs	-	-	-	(4,019)	-	-	(19,068)	(67,881)	(90,968)
Disposals	-	-	-	-	-	-	(308)	(1,082,634)	(1,082,942)
Reclassification	-	-	-	-	606,000	(606,000)	53,110	(874)	52,236
At 28 February 2013	-	12,552,190	7,402,548	6,069,219	2,393,400	48,056	9,061,491	10,448,924	47,975,828
Net carrying amount									
At 28 February 2013	24,145,777	27,447,810	12,924,405	2,644,722	173,947	42,048	1,902,980	6,004,401	75,286,090

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

6. PROPERTY, PLANT AND EQUIPMENT (continued)

The details of property, plant and equipment are as follows:-

GROUP 2013	Freehold land RM	Leasehold land RM	Buildings RM	Renovation, electrical and amusement equipment RM	Motor vehicles RM	Motor vehicles under hire-purchase RM	Furniture, fittings and equipment RM	Sports equipment, machinery and others RM	Total RM
Cost									
At 1 March 2011	24,545,777	40,000,000	19,930,596	6,999,321	2,022,864	696,104	10,142,616	15,688,574	120,025,852
Additions	-	-	-	1,342,782	73,000	-	383,131	594,400	2,393,313
Write-offs	-	-	-	-	(226,120)	-	(18,284)	(141,163)	(385,567)
Disposals	-	-	-	-	-	-	-	(11,000)	(11,000)
At 29 February 2012	24,545,777	40,000,000	19,930,596	8,342,103	1,869,744	696,104	10,507,463	16,130,811	122,022,598
Accumulated depreciation									
At 1 March 2011	-	11,070,708	5,565,239	5,011,686	1,950,806	618,014	7,797,876	9,429,116	41,443,445
Charge for the financial year	-	740,741	926,738	570,899	26,173	18,021	679,350	1,120,511	4,082,433
Write-offs	-	-	-	-	(226,116)	-	(18,155)	(83,539)	(327,810)
Disposals	-	-	-	-	-	-	-	(11,000)	(11,000)
At 29 February 2012	-	11,811,449	6,491,977	5,582,585	1,750,863	636,035	8,459,071	10,455,088	45,187,068
Net carrying amount									
At 29 February 2012	24,545,777	28,188,551	13,438,619	2,759,518	118,881	60,069	2,048,392	5,675,723	76,835,530

6. PROPERTY, PLANT AND EQUIPMENT (continued)

	Furniture, fittings and equipment RM
COMPANY	
2013	
COST	
At 1 March 2012/28 February 2013	8,633
Accumulated depreciation	
At 1 March 2012	8,429
Charge for the financial year	199
At 28 February 2013	8,628
Net carrying amount	
At 28 February 2013	5
2012	
COST	
At 1 March 2011/29 February 2012	8,633
Accumulated depreciation	
At 1 March 2011	8,029
Charge for the financial year	400
At 29 February 2012	8,429
Net carrying amount	
At 29 February 2012	204

Certain freehold land and buildings of the Group with net book value of RM22,381,812 (2012: RM22,547,977) have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Note 23 and 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

7. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2013 RM	2012 RM
Unquoted shares, at cost	116,920,129	116,921,213

The details of the subsidiaries which are all incorporated in Malaysia are as follows:-

Name of company	Group's effective interest 2013 %	Group's effective interest 2012 %	Principal activities
Eupe Realty Sdn. Bhd.	100	100	Property investment and management
Riacon Sdn. Bhd.	100	100	Building construction and sale of building materials
Bukit Makmur Sdn. Bhd.	100	100	Property development
Mera-Land (Malaysia) Sdn. Bhd.	100	100	Property development
Esteem Glory Sdn. Bhd.	100	100	Property development
Eupe Kemajuan Sdn. Bhd.	100	100	Property development
Puncak Central Sdn. Bhd.	100	100	Dormant
Eupe Homes (MM2H) Sdn. Bhd.*	100	100	Provision of services allowed under MM2H to non residents
Eupe Hotel Sdn. Bhd.*	100	100	Property rental
Ria Plaza Sdn. Bhd.*	100	100	Operating a complex for rental of stalls
Ria Food Centre Sdn. Bhd.*	100	100	Operating a complex for rental of stalls
Pasar Taman Ria Sdn. Bhd.*	100	100	Operating a complex for rental of stalls
Eupe Golf Management Bhd.*	100	100	Management of club providing golf and recreation facilities
Eupe Golf Recreation & Tour Sdn. Bhd.*	100	100	Chalet and restaurant operation, recreation and tour services
Australasia Development (M) Pte Ltd*	70	70	Property development
Australasia Development Pte Ltd*	70	70	Property development
Subsidiary of Eupe Kemajuan Sdn. Bhd.			
Eupe Development Sdn. Bhd.	60	60	Property development
Eupe Bangsar South Development (JV) Sdn. Bhd.* ^	50	100	Property development
Titian Sama Sdn. Bhd.*#	70	-	Dormant
Subsidiary of Bukit Makmur Sdn. Bhd.			
Makmur Longan Farming Sdn. Bhd.	70	70	Fruit cultivation

7. INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Group's effective interest 2013 %	2012 %	Principal activities
Subsidiary of Eupe Hotel Sdn. Bhd.			
Millennium Pace Sdn. Bhd.*	100	100	Fruit cultivation
Subsidiaries of Eupe Golf Recreation & Tour Sdn. Bhd.			
Tadika Pro-Dedikasi Sdn. Bhd.*	51	51	Operating and management of a kindergarten
The Carnival Management Sdn. Bhd.*	100	100	Dormant
Cinta Sayang Management Sdn. Bhd.*	100	100	Dormant

* Companies not audited by RSM Robert Teo, Kuan & Co.

^ During the financial year, the subsidiary Eupe Bangsar South Development (JV) Sdn. Bhd., ("EBSD") issued additional 249,998 ordinary shares of RM1.00 each and is subscribed by its holding company, Eupe Kemajuan Sdn. Bhd., (EKSB) and third parties. The issue of the additional ordinary shares has resulted in dilution of equity interest held by the Company from 100% to 50.01%. EKSB still maintains its control over EBSD.

\# On 24 December 2012, subsidiary, EKSB has acquired 7,000 ordinary shares of RM 1 each, being the 70% of issued share capital of Titian Sama Sdn. Bhd. ("TSSB"), a company incorporated in Malaysia for a cash consideration of RM7,000. TSSB is currently a dormant company and its intended activity is property development.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

7. INVESTMENTS IN SUBSIDIARIES (continued)

The effects of these acquisitions on the financial results of the Group during the financial year are as follows:

	2013 RM
Revenue	-
Net loss for the financial year	4,892

The acquisition had the following effects on the Group's assets on acquisition date:

	Acquiree's carrying amount	Fair value recognised upon acquisition
Cash in hand	10,000	10,000
Total net assets	10,000	10,000
Purchase consideration discharged by cash:		10,000
Less: Cash and cash equivalents of the subsidiaries		(10,000)
Cash out flow on acquisition, net of cash and cash equivalents acquired		-

8. INVESTMENT IN JOINT VENTURE

	GROUP	
	2013 RM	2012 RM
Unquoted shares, at cost	1,109,812	828,791

The joint venture company is incorporated in Australia as follows:-

Name of company	Group's effective interest		Principal activities
	2013 %	2012 %	
* Clover Kilmore Pty Ltd	50	50	Property development

** The financial year of the jointly controlled entity is 30 June 2013.*

8. INVESTMENT IN JOINT VENTURE (continued)

The summarised financial information of the joint venture company, adjusted for Group's share is as follows:

	2013 RM	2012 RM
Assets and liabilities		
Current assets	1,759,676	989,342
Current liabilities	1,812,484	990,842
Results		
Other Income	-	2,260
Expenses	(51,345)	(5,402)
Loss for the year	(51,345)	(3,142)

9. OTHER INVESTMENTS

	GROUP	
	2013 RM	2012 RM
Quoted in Malaysia, at cost		
Investment in fixed income unit trusts	12,380	164,184
Market value of fixed income unit trusts	12,380	164,184

10. LAND HELD FOR PROPERTY DEVELOPMENT

	GROUP	
	2013 RM	2012 RM
Cost		
Balance as at 1 March	107,018,270	125,063,787
Additions during the financial year	40,814,891	5,000,359
Transferred to property development costs	(2,798,218)	(23,045,876)
Disposal during the financial year	(45,130)	-
Balance as at 28/29 February	144,989,813	107,018,270
Freehold land, at cost	101,783,827	69,954,369
Development cost	43,205,986	37,063,901
	144,989,813	107,018,270

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

10. LAND HELD FOR PROPERTY DEVELOPMENT (continued)

Freehold land with cost of RM14,963,250 (2012: RM15,368,450) is registered under a third party's name. The title of the land will be transferred upon settlement of purchase consideration due to Perbadanan Kemajuan Negeri Kedah as disclosed in Note 28.

Certain land held for future development with a carrying value of RM11,032,312 (2012: RM6,047,550) have been pledged to licensed banks for credit facilities granted to a subsidiary as disclosed in Note 23.

Included in the development costs are interest charges paid to Perbadanan Kemajuan Negeri Kedah capitalised at NIL (2012: 8%) per annum during the financial year amounting to NIL (2012: RM32,505).

11. INVESTMENT PROPERTIES

	GROUP	
	2013 RM	**2012 RM**
Balance as at 1 March	29,834,160	21,918,000
Additions during the financial year	2,391,826	1,342
Transfer from inventories	-	7,914,818
Balance as at 28/29 February	32,225,986	29,834,160

The Group does not have investment properties which are held under lease terms.

The fair value of the investment properties was estimated by the management at RM32,225,986 (2012: RM29,834,160)

The investment properties with total carrying value of RM32,409,871 (2012: RM29,834,160) have been pledged to licensed bank for credit facilities granted to subsidiaries as disclosed in Notes 23, 24 and 26.

12. DEFERRED PLANTATION EXPENDITURE

	GROUP	
	2013 RM	2012 RM
Cost		
Balance as at 1 March/28 February	1,248,940	1,248,940
Amortisation		
Balance as at 1 March	(1,002,563)	(877,669)
Amortisation during the financial year	(124,895)	(124,894)
	(1,127,458)	(1,002,563)
Balance as at 28/29 February	121,482	246,377

13. DEFERRED TAX

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position.

	GROUP	
	2013 RM	2012 RM
Deferred tax assets, net	(1,185,506)	(1,283,675)
Deferred tax liabilities, net	17,383,646	16,905,861
	16,198,140	15,622,186

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

13. DEFERRED TAX (continued)

(a) Movement in deferred tax during the year are as follows:

	GROUP	
	2013 RM	2012 RM
Balance as at 1 March	15,622,186	15,742,793
Recognised in statement of profit or loss and other comprehensive income:-		
- crystalisation of deferred tax on revaluation surplus arise from subsidiaries' development properties	(210,453)	(325,888)
- (shortfall)/excess of capital allowances over corresponding depreciation	(82,594)	87,950
- deferred plantation expenditure	-	1,620
- unabsorbed agricultural allowance	(14,952)	-
- unabsorbed capital allowances	866,400	57,403
- (utilisation)/unabsorbed tax losses	(36,929)	887
- other deductible temporary differences	54,482	57,421
	575,954	(120,607)
Balance as at 28/29 February	16,198,140	15,622,186

(b) The components of the deferred tax assets and liabilities at the end of the financial year comprise tax effects of:

	GROUP	
	2013 RM	2012 RM
Deferred tax assets		
Unabsorbed capital allowance	-	472,703
Unabsorbed agricultural allowance	31,665	16,714
Unabsorbed tax losses	100,611	483,471
Provisions	434,647	434,647
Other deductible temporary differences	837,056	895,946
Deferred tax assets (before offsetting)	1,403,979	2,303,481
Offsetting	(218,473)	(1,019,806)
Deferred tax assets (after offsetting)	1,185,506	1,283,675

13. DEFERRED TAX (continued)

	GROUP	
	2013 RM	2012 RM
Deferred tax liabilities		
Revaluation surplus arise from prepaid lease payments for land	-	6,784,431
Revaluation surplus arise from subsidiaries' development properties	8,775,102	8,995,479
Deferred plantations expenditure	3,496	-
Excess of capital allowances over corresponding depreciation	8,823,521	2,145,757
Deferred tax liabilities (before offsetting)	17,602,119	17,925,667
Offsetting	(218,473)	(1,019,806)
Deferred tax liabilities (after offsetting)	17,383,646	16,905,861

(c) Unrecognised deferred tax assets

	GROUP	
	2013 RM	2012 RM
Unabsorbed agricultural allowance	164,327	164,327
Unabsorbed capital allowance	7,636	7,132
Unabsorbed tax losses	522,173	445,698
Deferred plantations expenditure	-	70,574
(Shortfall)/Excess of capital allowances over corresponding depreciation not recognised	(1,849)	2,043
	692,287	689,774

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit of certain subsidiaries will be available against which the deductible temporary differences can be utilised. The deductible temporary differences do not expire under the current tax legislation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

14. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2013 RM	2012 RM
Freehold land, at cost		
Balance as at 1 March	35,908,875	23,890,826
Addition	-	8,000
Transferred from land held for property development during the financial year (Note 10)	2,217,703	12,010,049
Completed development project	(1,231,762)	-
Balance as at 28/29 February	36,894,816	35,908,875
Development expenditure		
Balance as at 1 March	208,834,168	131,044,175
Incurred during the financial year	82,915,592	66,754,166
Transferred from land held for property development during the financial year (Note 10)	580,515	11,035,827
Completed development project	(46,332,161)	-
	245,998,114	208,834,168
	282,892,930	244,743,043
Accumulated costs charged to statement of profit or loss and other comprehensive income		
Balance as at 1 March	(183,104,107)	(105,361,560)
Cost charged to statement of profit and loss and other comprehensive income for the financial year	(74,843,351)	(77,742,547)
Reversal of cost of completed development project	47,634,896	-
Balance as at 28/29 February	(210,312,562)	(183,104,107)
	72,580,368	61,638,936

14. PROPERTY DEVELOPMENT COSTS (continued)

Freehold land with cost of RM6,445,560 (2012: RM6,445,560) is registered under a third party's name. The title of the land will be transferred upon settlement of purchase consideration due to Perbadanan Kemajuan Negeri Kedah as disclosed in Note 28.

Freehold land with carrying value of RM6,445,560 (2012: RM6,445,560) as at 28 February 2013 was pledged to a licensed bank for term loan and credit facilities as disclosed in Note 23 and 24.

Included in development costs is rental of equipment capitalised during the financial year amounting to RM1,422,488 (2012: RM260,398).

15. INVENTORIES

	GROUP	
	2013 RM	2012 RM
At cost		
Completed properties	11,339,992	13,254,361
Building materials	42,677	362,691
Food and beverages	256,010	278,402
Playground materials	21,336	45,737
Spare parts and consumables	10,355	10,326
Unbilled materials	537,378	-
	12,207,748	13,951,517

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

16. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade receivables				
Third parties	27,862,553	24,242,566	-	-
Accrued billings in respect of property development	1,522,170	-	-	-
Amount due from .customers for contract work (Note 29)	1,116,706	379,479	-	-
Less: Impairment loss - third parties	(143,458)	(92,789)	-	-
	30,357,971	24,529,256	-	-
Other receivables, deposits and prepayments				
Amount owing from directors	1,058	3,614	-	-
Other receivables	7,850,824	7,984,109	-	-
Deposits	10,298,181	10,380,510	4,500	4,500
Prepayments	289,060	155,601	-	-
	18,439,123	18,523,834	4,500	4,500
	48,797,094	43,053,090	4,500	4,500

(a) The credit term of trade receivables granted by the Group is 21 days (2012: 21 days) from date of progress billings or range from 30 to 90 days (2012: 30 to 90 days) from date of invoice.

(b) The impairment loss of the Group is net of bad debts written off amounting to RM41,521 (2012: RM58,660).

(c) Information on financial risk of trade and other receivables are disclosed in Note 40 to the financial statements

17. AMOUNT OWING FROM/(TO) SUBSIDIARIES

The amount owing from/(to) subsidiaries are unsecured, interest free and repayable upon demand.

18. SINKING FUNDS

The sinking funds of the Group are created under a trust deed to meet the refund of deposits on refundable membership and cost of major periodic repairs of the golf club.

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19. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Fixed deposits with licensed banks	3,103,070	1,514,533	-	-
Cash and bank balances	24,536,269	22,383,766	3,551	88,794
As reported in the statement of financial positions	27,639,339	23,898,299	3,551	88,794
Less: Bank overdrafts (Note 22)	(1,540,389)	(1,268,433)	-	-
Fixed deposits pledged with licensed banks	(1,241,023)	(1,124,324)	-	-
As reported in cash flows statements	24,857,927	21,505,542	3,551	88,794

(a) Included in the Group's cash and bank balances is an amount of RM16,241,701 (2012: RM13,360,711) held under the Housing Development Account pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

(b) The fixed deposits of the Group have maturity periods ranging between 30 to 365 days (2012: 14 to 365 days).

(c) Included in fixed deposits with licensed banks of the Group is an amount of RM1,241,023 (2012: RM1,124,324) pledged to licensed banks for bank guaranteed facilities granted to the Group.

(d) The weighted average interest rate per annum of fixed deposits that was effective as at statement of financial position date is as follows:

	GROUP	
	2013 %	2012 %
Fixed deposits with licensed banks	2.81	2.95

(e) Information on repricing analysis of cash and cash equivalents are disclosed in Note 40.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

20. SHARE CAPITAL

	GROUP/COMPANY 2013 RM	2012 RM
Authorised		
300,000,000 ordinary shares of RM1 each	300,000,000	300,000,000
Issued and fully paid		
128,000,000 ordinary shares of RM1 each	128,000,000	128,000,000

21. RESERVES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-distributable:				
Share premium	5,982,397	5,982,397	5,982,397	5,982,397
Translation reserve	443	-	-	-
	5,982,840	5,982,397	5,982,397	5,982,397
Distributable:				
Retained earnings	127,881,656	113,300,384	17,608,254	17,990,899
	133,864,496	119,282,781	23,590,651	23,973,296

Retained earnings

Effective 1 March 2008 (year of assessment 2009), the Company is given the option to make an irrecoverable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest, by 31 December 2013. The Company has decided not to make this election.

As at 28 February 2013, the Company has tax credit under Section 108 of the Income Tax Act 1967 and balance in the tax exempt account to frank the payment of dividend out of its retained earnings of approximately RM10,601,000. Retained earnings not covered by tax credit amounted to approximately of RM6,850,000.

22. BORROWINGS

	Note	GROUP 2013 RM	GROUP 2012 RM
Current			
Secured			
Term loans		3,809,726	4,324,569
Revolving credits		3,700,000	3,200,000
Bank overdrafts		1,540,389	1,268,433
Bankers' acceptance		3,417,000	3,798,000
Hire-purchase liabilities	27	17,595	16,592
		12,484,710	12,607,594
Unsecured			
Term loans		474,399	1,133,174
Revolving credits		-	2,000,000
Hire-purchase liabilities	27	18,004	-
		492,403	3,133,174
Total current portion		12,977,113	15,740,768
Non-current			
Secured			
Term loans		39,334,519	14,641,479
Hire-purchase liabilities	27	26,594	44,189
		39,361,113	14,685,668
Unsecured			
Term loans		716,667	332,903
Hire-purchase liabilities	27	30,169	-
		746,836	332,903
Total non-current portion		40,107,949	15,018,571
Total borrowings		53,085,062	30,759,339

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

22. BORROWINGS (continued)

	Note	GROUP 2013 RM	GROUP 2012 RM
Secured			
Term loans	23	43,144,245	18,966,048
Revolving credits	24	3,700,000	3,200,000
Bank overdrafts	25	1,540,389	1,268,433
Bankers' acceptance	26	3,417,000	3,798,000
Hire-purchase liabilities	27	44,189	60,781
		51,845,823	27,293,262
Unsecured			
Term loans	23	1,191,066	1,466,077
Revolving credits		-	2,000,000
Hire-purchase liabilities	27	48,173	-
		1,239,239	3,466,077
Total borrowings		53,085,062	30,759,339

23. TERM LOANS

	GROUP 2013 RM	GROUP 2012 RM
Secured		
Term loan IV repayable by 60 monthly instalments of RM120,228 each commencing April 2008	141,910	1,518,499
Term loan VI repayable by 96 monthly instalments of RM167,510 each commencing October 2011	6,495,567	7,968,549
Term loan VII repayable by 48 monthly instalments of RM125,000 each commencing June 2012	4,875,000	6,000,000
Term loan VIII repayable by 120 monthly instalments of RM58,333 each commencing September 2012	6,631,768	3,479,000
Term loan IX repayable by 36 monthly instalments of RM694,445 each commencing June 2013	25,000,000	-
	43,144,245	18,966,048

23. TERM LOANS (continued)

The term loans of the Group are secured by way of fixed charges over:

(i) certain freehold land and building as disclosed in Note 6.

(ii) certain freehold land as disclosed in Note 10 and 14.

(iii) certain investment properties as disclosed in Note 11.

Repayment terms

The term loans are repayable by instalments of varying amounts over the following periods:

	GROUP	
	2013	**2012**
	RM	**RM**
Not later than 1 year	4,284,125	5,457,743
1-2 years	4,015,138	4,124,638
2-3 years	12,506,094	4,040,603
3-4 years	10,946,153	4,034,818
4-5 years	9,148,434	2,445,305
More than 5 years	3,435,367	329,018
	44,335,311	20,432,125

The term loans bear interest at 4.54% to 8.35% (2012: 4.58% to 8.35%) per annum.

The weighted average interest rate per annum of term loans that was effective as at reporting date is as follows:

	GROUP	
	2013	**2012**
	%	**%**
Term loans	6.64	7.07

Information on repricing analysis of term loans is disclosed in Note 40.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

24. REVOLVING CREDITS - SECURED

The revolving credits of the Group are secured by way of legal charges over certain investment properties as disclosed in Note 11.

The weighted average interest rate per annum of revolving credit that was effective as at reporting date is as follows:

	GROUP	
	2013	**2012**
	%	**%**
Revolving credits	4.25	5.10

Information on repricing analysis of revolving credit is disclosed in Note 40 to the financial statements.

25. BANK OVERDRAFTS - SECURED

The bank overdrafts of the Group are secured by first legal charges over certain freehold land of the Group with net book value of RM22,381,812 (2012: RM22,547,977) as disclosed in Note 6 and corporate guarantees issued by the Company.

The weighted average interest rate per annum of bank overdrafts that was effective as at reporting date is as follows:

	GROUP	
	2013	**2012**
	%	**%**
Bank overdrafts	8.10	8.10

Information on repricing analysis of bank overdrafts is disclosed in Note 40 to the financial statements.

26. BANKERS' ACCEPTANCES - SECURED

The bankers' acceptances of the Group are secured by way of legal charges over certain investment properties (Note 11) and corporate guarantees issued by the Company.

The weighted average interest rate per annum of bankers' acceptances that was effective as at reporting date is as follows:

	GROUP	
	2013	2012
	%	%
Bankers' acceptances	4.56	4.61

Information on repricing analysis of bankers' acceptances is disclosed in Note 40 to the financial statements.

27. HIRE-PURCHASE LIABILITIES

	GROUP	
	2013	2012
	RM	RM
Minimum hire-purchase instalments:-		
- not later than one year	39,648	19,560
- later than one year and not later than five years	61,129	47,220
	100,777	66,780
Less: Future interest charges	(8,415)	(5,999)
Present value of hire-purchase liabilities	92,362	60,781
Repayable as follows:		
Current liabilities		
- not later than one year	35,599	16,592
Non-current liabilities		
- later than one year and not later than five years	56,763	44,189
	92,362	60,781

The effective interest rate per annum of hire-purchase liabilities as at reporting date is as follow:

	GROUP	
	2013	2012
	%	%
Hire purchase liabilities	3.19	3.00

Information on repricing analysis of hire-purchase liabilities is disclosed in Note 40.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

28. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade payables				
Third parties	15,491,991	9,522,004	-	-
Progress billings in respect of property development	37,037,070	35,208,847	-	-
Amount due to customers for contract work (Note 29)	15,463	-	-	-
	52,544,524	44,730,851	-	-
Other payables				
Amounts owing to Directors	25,000	25,490	25,000	25,490
Other payables, deposits and accruals	14,182,728	8,150,779	32,000	30,000
Member deposits	1,467,146	1,578,284	-	-
	15,674,874	9,754,553	57,000	55,490
	68,219,398	54,485,404	57,000	55,490

(a) The credit terms available to the Group in respect of trade payables range from 30 to 90 days (2012: 30 to 90 days) from date of invoice.

(b) The amounts owing to Directors represent advances and payments made on behalf which are unsecured, interest-free and repayable upon demand.

(c) Included in other payables of the Group is an amount of RM1,133,186 (2012: RM2,395,326) owing to Perbadanan Kemajuan Negeri Kedah ("PKNK") in relation to the acquisition of certain freehold land of which the Sale and Purchase Agreement and Supplemental Agreements were signed on 17 October 2001, 20 March 2003 and 27 June 2003 respectively as disclosed in Notes 10 and 14. The amount owing to PKNK is unsecured and repayable on demand.

(d) Included in member deposits of the Group is a balance of RM903,500 (2012: RM 1,100,500) for golf memberships which are transferable.

(e) Information on financial risk of trade and other payables is disclosed in Note 40 to the financial statements.

29. CONSTRUCTION CONTRACTS

	GROUP	
	2013 RM	2012 RM
Aggregate cost incurred to date	15,554,482	7,160,616
Accrued profit to date	225,496	-
	15,779,978	7,160,616
Less: Progress billings	(14,678,735)	(6,781,137)
	1,101,243	379,479
Represented by:		
Amount due from customers for contract work (Note 16)	1,116,706	379,479
Amount due to customers for contract work (Note 28)	(15,463)	-

30. PROVISIONS

GROUP	Infrastructure cost RM	Renovation cost RM	Building cost RM	Total RM
Balance as at 1 March 2011	1,738,588	-	-	1,738,588
Addition during the financial year	-	2,479,216	-	2,479,216
Balance as at 29 February/1 March 2012	1,738,588	2,479,216	-	4,217,804
Addition during the financial year	-	198,000	1,707,335	1,905,335
Balance as at 28 February 2013	1,738,588	2,677,216	1,707,335	6,123,139

The provision for infrastructure cost made in the previous financial year was in respect of a housing development project undertaken by a subsidiary for which the subsidiary is legally obligated to incur to meet the requirements of the house buyers' agreements for the completion of the development projects.

The provision for renovation cost was made in respect of a completed project of the Group, Sky Residence Condominium which the Group is obliged to incur.

The provision for building costs were made in respect of Taman Ria Mesra project for additional claims requested by the sub-contractors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

31. REVENUE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Gross dividend income from subsidiaries	-	-	-	260,004
Revenue from development properties	94,641,393	97,087,546	-	-
Revenue from construction contracts	8,445,341	5,273,582	-	-
Revenue from water theme park operations	12,787,703	12,436,317	-	-
Sale of completed properties	2,666,966	1,639,000	-	-
Sale of building materials	23,391,696	22,004,899	-	-
Sale of goods	45,116	96,210	-	-
Sale of land held for property development	30	-	-	-
Rental income	1,650,746	1,622,958	-	-
Sports and recreation services	1,817,179	1,703,412	-	-
Subscription and entrance fees	750,180	616,434	-	-
Tuition fees	421,383	534,087	-	-
Sales of fruits and other supplies	20,645	37,578	-	-
	146,638,378	143,052,023	-	260,004

32. COST OF SALES

	GROUP	
	2013 RM	2012 RM
Building material sold	21,636,762	20,788,549
Property development cost	64,796,674	77,627,521
Completed properties	2,147,627	1,328,890
Construction contract cost	8,219,844	5,273,582
Service rendered	10,052,144	10,369,078
Others	914,502	833,086
	107,767,553	116,220,706

33. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before tax is stated after charging:-

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Amortisation of deferred plantation expenditure	124,895	124,894	-	-
Auditors' remuneration:				
- current financial year	131,250	129,650	32,000	30,000
- (over)/under-provision in prior financial year	(2,000)	-	2,000	-
Bad debts written off	44,984	6,827	-	-
Depreciation of property, plant and equipment	3,910,434	4,082,433	199	400
Directors' emoluments other than fees paid/payable to:				
- executive directors of the Company	29,000	29,000	29,000	29,000
- non-executive directors of the Company	118,500	119,000	118,500	119,000
- executive directors of the subsidiary companies	1,628,206	1,586,327	-	-
Impairment loss on trade receivables	50,669	41,521	-	-
Interest expense on:				
- bankers acceptances	145,798	174,840	-	-
- bank overdraft	197,382	116,976	-	-
- hire purchase liabilities	3,837	3,971	-	-
- term loans	1,298,136	1,018,785	-	-
- others	700	500	-	-
Loss from disposal of property, plant and equipment	458,178	-	-	-
Preliminary expenses	2,436	-	-	-
Property, plant and equipment written off	8,961	57,757	-	-
Rental expense on:				
- premises	54,850	61,550	-	-
- equipment	38,583	53,992	-	-

OTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

33. PROFIT/(LOSS) BEFORE TAXATION (continued)

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
And crediting:				
Gross dividend income from:				
- subsidiaries	-	-	-	260,004
- other investment	-	2,852	-	-
Insurance compensation received	68,576	-	-	-
Interest income	1,090,082	533,682	221,771	30,375
Rental income from				
- investment properties	2,054,458	1,559,183	-	-
- others	423,552	514,958	-	-
Realised gain on foreign exchange	-	61,584	-	-

Direct operating expenses from investment properties that generated rental income of the Group during the financial year amounted to approximately RM572,917 (2012: RM483,335).

34. TAX EXPENSE

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Malaysian income tax: Current tax expense based on profit for the financial year	7,553,210	4,861,570	-	-
Under/(Over)provision in prior financial years	183,477	(240,354)	-	(30,834)
	7,736,680	4,621,216	-	(30,834)
Deferred tax: (Note 13a) Relating to origination and reversal of temporary differences	133,822	(183,894)	-	-
Underprovision in prior financial years	442,125	63,287	-	-
	575,954	(120,607)	-	-
Total tax expense	8,312,634	4,500,609	-	(30,834)

34. TAX EXPENSE (continued)

The Malaysian income tax is calculated at the statutory tax rate of 25% of the estimated taxable profit for the fiscal year.

A reconciliation of income tax expense on the financial results with the applicable statutory tax rate is as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit/(Loss) before tax	25,003,824	13,700,451	(197,667)	(248,495)
Tax at Malaysian statutory tax rate of 25%	6,250,956	3,425,113	(49,417)	(62,124)
Tax effects in respect of:				
Crystalisation of deferred tax liabilities on revaluation surplus	(122,474)	-	-	-
Depreciation on non-qualifying property, plant and equipment	70,381	76,864	-	-
Deferred tax assets not recognised	76,841	44,076	-	-
Non-allowable expenses	1,302,127	923,492	104,860	127,125
Unabsorbed agriculture allowance	9,391	-	-	-
Utilisation of agriculture allowance	-	(11,212)	-	-
Utilisation of deferred tax assets previously not recognised	156,000	284,000	-	-
Temporary differences not recognised	300	344	-	-
Income not subject to tax	(56,490)	(65,001)	(55,443)	(65,001)
	7,687,032	4,677,676	-	-
Under/(Over)provision in prior financial years				
- income tax	183,470	(240,354)	-	(30,834)
- deferred tax	442,132	63,287	-	-
Tax expense	8,312,634	4,500,609	-	(30,834)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

35. EARNINGS PER ORDINARY SHARE

Basic

Basic earnings per ordinary share of the Group is calculated by dividing the profit for the financial year attributable to ordinary equity holders of the Company for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2013 RM	2012 RM
Profit attributable to ordinary equity holders of the Company (RM)	14,845,511	6,566,721
Number of ordinary shares in issue	128,000,000	128,000,000
Basic earnings per ordinary share (sen)	11.60	5.13

36. EMPLOYEE BENEFITS

The employee benefits excluding key management personnel during the financial year are as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Operations				
- salaries and wages	4,227,422	3,904,505	-	-
- contributions to defined contribution plan	480,809	316,140	-	-
- other benefits	449,745	520,906	-	-
	5,157,976	4,741,551	-	-
Sales, marketing and distribution				
- salaries and wages	487,968	339,982	-	-
- contributions to defined contribution plan	69,671	52,151	-	-
- other benefits	96,339	125,147	-	-
	653,978	517,280	-	-

36. EMPLOYEE BENEFITS (continued)

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Administration				
- salaries and wages	2,614,775	2,918,237	-	-
- contributions to defined contribution plan	285,273	266,049	-	-
- other benefits	449,901	451,266	-	-
	3,349,949	3,635,552	-	-
	9,161,903	8,894,383	-	-

37. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

(b) Significant related party transactions

Related parties of the Group include:

(i) Direct and indirect subsidiaries as disclosed in Note 7 to the financial statement.

(ii) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Company and certain members of senior management of the Group.

The Group has related party's relationship with the following parties:

Substantial shareholder of the Company

- Perbadanan Kemajuan Negeri Kedah ("PKNK")
- Beh Heng Seong Sdn. Bhd.

Companies in which certain Directors of the Company have financial interests:

- RJ Properties Sdn. Bhd.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

37. RELATED PARTY DISCLOSURES (continued)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Subsidiaries				
Gross dividend income	-	-	-	260,004
Interest income	-	-	221,771	-
A substantial shareholder*				
In respect of the acquisition of freehold land				
- interest charged for current financial year	-	32,505	-	-
- repayments during the financial year	865,120	4,244,240	-	-
An entity controlled by a close member of the family of a Director				
Purchase of computer and software	2,200	-	-	-
Printing, stationery, repair and maintenance	60,855	-	-	-
Rental	193,963	121,584	-	-
Road works	178,996	-	-	-
Sales of bird nest	42,069	-	-	-
Close member of the family of the Directors				
Advisory fees paid	240,000	240,000	-	-

* This is related to the purchase of freehold land from a substantial shareholder, PKNK in the previous financial years with total purchase consideration of RM26,527,600, out of which RM26,122,400 (2012: RM26,122,400) has been paid as at the statement of financial position date. The purchase price was revised to RM26,527,600 from the original purchase consideration of RM26,000,000 in financial year 2005 based on the actual measurement of the land upon sub-division of land title. The balance payable to PKNK as at the end of the financial year is NIL (2012: RM405,200).

37. RELATED PARTY DISCLOSURES (continued)

This is also related to the purchase of freehold land from the substantial shareholder, PKNK of which the Sale and Purchase Agreement was signed on 17 October 2001 for a purchase consideration of RM11,125,006. The balance payable to PKNK as at the end of the financial year is RM1,125,006 (2012: RM1,990,126).

The related party transactions described above were carried out on negotiated and mutually agreed terms and conditions.

(c) Compensation of key management personnel

The remuneration of key management personnel comprising Directors of the Company and subsidiaries during the financial year are as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Short term employee benefits	1,562,430	1,531,801	147,500	148,000
Contributions to defined contribution plans	213,276	202,526	-	-
	1,775,706	1,734,327	147,500	148,000

38. CONTINGENT LIABILITIES - UNSECURED

	GROUP	
	2013 RM	2012 RM
Corporate guarantees for bank facilities granted to subsidiaries		
- amount utilised	41,633,500	30,984,676
Corporate guarantees to suppliers of a subsidiary company		
- amount utilised	602,895	-
Total facilities available to subsidiaries which are guaranteed by the Company	89,617,300	65,900,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

39. OPERATING SEGMENTS

The Group comprises the following main business segments which are based on the Group's management and internal reporting structure:

Property development	:	Development of residential and commercial properties
Chalet and golf operation and management:	:	Operations and management of chalet, restaurant, golf club operations and recreation facilities.
Property construction	:	Construction of residential and commercial properties, and sales of building material.
Others	:	Rental of properties, management of complex, fruits cultivation and kindergarten operations.

Performance is measured based on the segment revenue and profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group Managing Director (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

The total of segment liability is measured based on all liabilities of a segment, as include in the internal management reports that are reviewed by the Group Managing Director.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and intangible assets other than goodwill.

Allocation basis and inter-segment pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfer between business segments. These segments are eliminated on consolidation.

39. OPERATING SEGMENTS (continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

Financial year ended 28 February 2013	Property development	Chalet and golf operation and management	Property construction	Others	Eliminations	Total
	RM	RM	RM	RM	RM	RM
Revenue						
Revenue from external customer	97,332,379	15,355,062	31,837,037	2,113,900	-	146,638,378
Inter-segment revenue	1,000,000	17,668	76,800,259	497,959	(78,315,886)	-
Total revenue	98,332,379	15,372,730	108,637,296	2,611,859	(78,315,886)	146,638,378
Results						
Segment result	24,428,166	(110,537)	1,494,927	(252,961)	-	25,559,595
Interest income	528,280	222,632	87,415	251,755	-	1,090,082
Interest expense	(898,590)	(292,958)	(162,376)	(291,929)	-	(1,645,853)
Profit before tax						25,003,824
Tax expense						(8,312,634)
Profit for the financial year						16,691,190
At 28 February 2013						
Assets						
Segment assets	288,641,829	69,488,901	15,073,822	41,976,417	-	415,180,969
Tax assets	35,146	79,095	-	298,874	-	413,115
Deferred tax assets	1,185,506	-	-	-	-	1,185,506
Total assets						416,779,590
Liabilities						
Segment liabilities	50,921,035	4,281,566	17,033,429	2,106,504	-	74,342,534
Borrowings	36,512,477	2,779,627	7,161,189	6,631,769	-	53,085,062
Tax liabilities	1,364,144	-	669,975	48,572	-	2,082,691
Deferred tax liabilities	7,918,860	9,379,232	42,000	43,556	-	17,383,648
Total liabilities						146,893,935
Financial year ended 28 February 2013						
Other information						
Capital expenditure	99,819	2,286,289	10,299	470,613	-	2,867,020
Depreciation of property, plant and equipment	370,464	3,266,555	74,202	199,213	-	3,910,434
Amortisation of deferred plantation expenditure	-	-	-	124,895	-	124,895

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

39. OPERATING SEGMENTS (continued)

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

Financial year ended 29 February 2012	Property development	Chalet and golf operation and management	Property construction	Others	Eliminations	Total
	RM	RM	RM	RM	RM	RM
Revenue						
Revenue from external customer	99,638,848	14,756,163	26,366,179	2,290,833	-	143,052,023
Inter-segment revenue	8,853,000	20,756	66,947,726	520,356	(76,341,838)	-
Total revenue	108,491,848	14,776,919	93,313,905	2,811189	(76,341,838)	143,052,023
Results						
Segment result	14,364,149	(453,457)	575,126	3,023	-	14,488,841
Interest income	430,756	50,328	19,992	32,606	-	533,682
Interest expense	(864,288)	(271,973)	(178,811)	(7,000)	-	(1,322,072)
Profit before tax						13,700,451
Tax expense						(4,500,609)
Profit for the financial year						9,199,842
At 29 February 2012						
Assets						
Segment assets	235,781,180	70,965,829	11,336,010	39,628,683	-	357,711,702
Tax assets	586,015	13,979	480,068	430,590	-	1,510,652
Deferred tax assets	1,262,554	-	-	21,121	-	1,283,675
Total assets						360,506,029
Liabilities						
Segment liabilities	45,917,097	3,519,097	9,166,689	357,846	-	58,960,729
Borrowings	15,487,048	2,734,510	9,058,781	3,479,000	-	30,759,339
Tax liabilities	791,331	-	-	17,113	-	808,444
Deferred tax liabilities	7,880,008	8,684,650	41,000	42,682	-	16,648,340
Total liabilities						107,176,852
Financial year ended 29 February 2012						
Other information						
Capital expenditure	66,494	2,024,140	187,284	115,395	-	2,393,313
Depreciation of property, plant and equipment	402,286	3,442,298	107,772	130,077	-	4,082,433
Amortisation of deferred plantation expenditure	-	-	-	124,894	-	124,894

40. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS139 categories:-

GROUP 2013	Financial assets at fair value through profit or loss RM	Loans and receivables at amortised cost RM	Total RM
Assets as per statement of financial position:			
- financial assets at fair value through profit or loss (marketable securities)	12,380	-	12,380
- trade and other receivables excluding pre-payments	-	48,508,034	48,508,034
- cash and cash equivalents	-	27,639,339	27,639,339
Total financial assets	12,380	76,147,373	76,159,753

	Other financial liabilities at amortised cost RM
Liabilities as per statement of financial position	
- borrowings excluding finance lease liabilities	52,992,700
- trade and other payables excluding statutory liabilities	68,219,398
	121,212,098

GROUP 2012	Financial assets at fair value through profit or loss RM	Loans and receivables at amortised cost RM	Total RM
Assets as per statement of financial position:			
- financial assets at fair value through profit or loss (marketable securities)	164,184	-	164,184
- trade and other receivables excluding pre-payments	-	42,897,489	42,897,489
- cash and cash equivalents	-	23,898,299	23,898,299
Total financial assets	164,184	66,795,788	66,959,972

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

40. FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments by category (continued)

	Other financial liabilities at amortised cost RM
Liabilities as per statement of financial position	
- borrowings excluding finance lease liabilities	30,698,558
- trade and other payables excluding statutory liabilities	54,485,404
	85,183,962

COMPANY	Loans and receivables at amortised cost	
	2013 RM	2012 RM
Assets as per statement of financial position:		
- trade and other receivables excluding prepayments (including intercompany balance)	39,781,410	37,787,388
- cash and cash equivalents	3,551	88,794
Total financial assets	39,784,961	37,876,182

	Other financial liabilities at amortised cost	
	2013 RM	2012 RM
Liabilities as per statement of financial position		
- trade and other payables excluding statutory liabilities	5,360,894	3,194,239

Further quantitative disclosures are included throughout this financial statement.

40. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies

The Board of Directors recognises the importance of financial risk management in the overall management of the Group's businesses. A sound risk management system will not only mitigate financial risk but will be able to create opportunities if risk elements are properly managed.

The Group's overall financial risk management objective is to ensure that the Group value for its shareholders whilst minimising the potential adverse effects on the performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies, set out as follows:

(I) Liquidity and cash flow risk

The Group is actively managing its operating cash flow to suit the debt maturity so to ensure all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by forecasting its cash commitments and maintaining sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group also maintains available banking facilities sufficient to meet its operational needs.

(II) Foreign currency risk

The Group is exposed to currency exchange risk as a result of the foreign currency denominated transactions entered into by the Group during the course of business. The currencies involved are Australian Dollar. In addition, subsidiaries operating in Australia have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposure.

The Group monitors the movement in foreign currency exchange rates closely to ensure its exposures are minimised. The Group does not enter into any hedging contract to hedge this risk. The Directors are of the view that there is no material impact and hence no sensitivity analysis could be presented.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

40. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies (continued)

(II) Foreign currency risk (continued)

	Net financial assets/(liabilities) held in non-functional currencies
	Australian Dollar RM
Functional currencies	
At 28 February 2013	
Financial assets	
Investment in joint venture	1,109,812
Other receivables, deposits and prepayments	6,436,797
Tax recoverable	35,146
Cash and cash equivalents	397,186
	7,978,941

(III) Market risk

(i) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings and is managed through the use of fixed and floating rate debts. The fixed rate borrowings exposes the Group to fair value interest rate risk which is partially offset by borrowings obtained at floating rate. The Group does not use derivative financial instruments to hedge its risk.

The Group also earns interest income derived from the placement of short-term deposits with licensed banks and financial institutions.

The Group regularly reviews these risks and takes proactive measures to mitigate the potential impact of such risk.

Sensitivity analysis for interest rate changes is unrepresentative as the Group does not use variable rates in managing its interest rate risk.

40. FINANCIAL INSTRUMENTS (continued)

Weighted average effective interest rates ('WAEIR') and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their weighted average effective interest rates at the statement of financial position date and the period in which they reprice or mature, whichever is earlier:

Group	NOTE	WAEIR %	Within 1 year RM	Between 1-2 years RM	Between 2-3 years RM	Between 3-4 years RM	Between 4-5 years RM	More than 5 years RM	Total RM
2013									
Fixed rates									
Fixed deposits with licensed banks	19	2.81	3,103,070	-	-	-	-	-	3,103,070
Bankers' acceptances	26	4.61	3,417,000	-	-	-	-	-	3,417,000
Hire purchase liability	27	3.19	35,599	36,599	20,164	-	-	-	92,362
Floating rates									
Bank overdrafts	25	8.10	1,540,389	-	-	-	-	-	1,540,389
Revolving credits	24	4.25	3,700,000	-	-	-	-	-	3,700,000
Term loans	23	6.64	4,284,125	4,015,138	12,506,094	10,946,153	9,148,434	3,435,367	44,335,311
2012									
Fixed rates									
Fixed deposits with licensed banks	19	2.95	1,514,533	-	-	-	-	-	1,514,533
Amount owing to PKNK	28	8.00	405,000	-	-	-	-	-	405,000
Bankers' acceptances	26	4.61	3,798,000	-	-	-	-	-	3,798,000
Hire purchase liability	27	3.00	16,592	17,595	18,599	7,995	-	-	60,781
Floating rates									
Bank overdrafts	25	8.10	1,268,433	-	-	-	-	-	1,268,433
Revolving credits	24	5.10	5,200,000	-	-	-	-	-	5,200,000
Term loans	23	7.07	5,457,743	4,124,538	4,040,603	4,034,818	2,445,305	329,118	20,432,125

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

40. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies (continued)

(III) Market risk (continued)

(ii) Other price risk

Equity price risk arises from the Group's investments in equity securities.

There are no material investments in equity securities to the Group and hence no sensitivity analysis has been presented.

(IV) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group controls these risks by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

The credit quality of trade receivables that are neither past due nor impaired are substantially amounts due from customers with good collection track record with the Group. Management will continuously monitor closely the trade receivables which are past due.

Credit risk arising from property development

The Group does not have any significant credit risk from its property development activities as its services and products are predominantly rendered and sold to a large number of property purchasers using financing from reputable end-financiers.

Trade receivables are monitored on an on-going basis via Group management reporting procedures. The Group does not have any significant exposure to any individual customer or counterparty nor does the Group have any major concentration of credit risk related to any financial instruments. Credit risk with respect to trade receivables are limited as the ownership and rights to the properties revert to the Group in the event of default.

40. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies (continued)

(IV) Credit risk (continued)

Credit risk arising from investment properties

Credit risks arising from outstanding receivables from the tenants are minimised and monitored by strictly limiting the Group's association to business partners with high creditworthiness. Furthermore, the tenants have placed security deposits with the Group which acts as collateral. Due to these factors, no additional credit risk beyond amounts allowed for collection losses is inherent in the Group's trade receivables.

Credit risk arising from other activities of the Group

Concentration of credit risk with respect to trade receivables is limited due to the Group's large number of customers. The Group's historical experience in collection of trade receivables fall within the recorded allowances. Due to these factors, no additional credit risk beyond amounts allowed for collections losses is inherent in the Group's trade receivables.

Credit risk arising from deposits with licensed banks

Concentration of credit risk arising from deposits with licensed banks is limited as bank deposits are held with banks with strong financial strength.

(i) the ageing analysis of trade receivables as at the end of the reporting date was:

	GROUP		COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Neither past due nor impaired	10,450,620	8,026,134	-	-
Past due but not impaired:				
1 to 30 days past due	5,529,261	3,325,239	-	-
31 to 60 days past due	3,063,871	3,682,481	-	-
61 to 90 days past due	3,349,538	1,348,961	-	-
91 to 120 days past due	1,581,257	1,057,226	-	-
More than 120 days past due	3,744,548	6,709,736	-	-
	17,268,475	16,123,643	-	-
Impaired	143,458	92,789	-	-
	27,862,553	24,242,566	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

40. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies (continued)

(IV) Credit risk (continued)

(i) the ageing analysis of trade receivables as at the end of the reporting date was (continued):

The movement of the allowance of impairment loss is as follows:

	GROUP	
	2013	**2012**
	RM	**RM**
At beginning of financial year	92,789	109,928
Charge during the financial year	50,669	92,789
Written off during the financial year	-	(109,928)
At end of financial year	143,458	92,789

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

As at 28 February 2013, trade receivables for the Group of RM17,268,475 (2012: RM16,123,643) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default, have met the Group's credit approved policies and are monitored on an on-going basis.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

(ii) Investments

The investment in quoted securities is minimal to the Group. As at the end of the reporting date, the Group has only invested in domestic securities. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

40. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objective and policies (continued)

(IV) Credit risk (continued)

(iii) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The maximum exposure to credit risk amounts to RM89,617,300 (2012: RM74,540,000) representing the outstanding banking facilities of the subsidiaries as at end of the reporting date.

As at end of the reporting date, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(iv) Inter company balances

The Company provides unsecured loans and advances to subsidiaries.
The Company monitors the results of the subsidiaries regularly.

As at end of the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting date, there was no indication that the loans and advances to the subsidiaries are not recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
28 FEBRUARY 2013

40. FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments

The carrying amounts of the financial assets and liabilities of the Group as at reporting date approximate their fair values except for the following:

	2013		2012	
Group	**Carrying amount RM**	**Fair value RM**	**Carrying amount RM**	**Fair value RM**
Recognised				
Hire-purchase creditors	92,361	92,361	60,781	60,781

The fair values of term loans and hire purchase creditors are estimated by discounting future contractual cash flows at the current market rate available to the Group for similar types of lending and borrowing arrangements and of the similar remaining maturities.

The following method and assumptions are used to determine the fair value of financial instruments:

(i) The face values for financial assets (less any estimated credit adjustments) and financial liabilities are assumed to approximate their fair values due to the relatively short term nature of these financial instruments.

(ii) The fair value of quoted investments in Malaysia is determined by reference to their quoted market prices at the reporting date.

(iii) In respect of non-current borrowings, the carrying amounts approximate fair values as they are on floating rates and reprice to market interest rates for liabilities with similar risk profiles.

(iv) The fair value of borrowings which is accounted for as long term financial liability is estimated based on future contractual cash flows discounted at current market assessments of the time value of money and the risks specific to the liability.

(v) Fair value of financial guarantees is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:
- the likelihood of the guaranteed party defaulting within the guaranteed period;
- the exposure on the portion that is not expected to be recovered due to the guaranteed party's default.
- The estimated loss exposure if the party guaranteed were to default.

40. FINANCIAL INSTRUMENTS (continued)

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

41. CARRYING AMOUNT OF MONIES HELD IN TRUST

The total carrying amount of monies held in trust is as follows:

	2013 RM	2012 RM
Monies held in trust	670,254	637,116

The above monies are held by the trustee, Pacific Trustee Berhad.

42. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 21 June 2013.

SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued another directive on the disclosure and the prescribed format of presentation.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained earnings of the Group and the Company as at 28 February 2013 are as follows:

	GROUP 2013 RM	COMPANY 2013 RM
Total retained earnings of the Group and Company		
- Realised	144,264,331	17,608,254
- Unrealised	(16,382,675)	-
	127,881,656	17,608,254

The determination of realised and unrealised profits is based on the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purpose.

STATEMENT BY DIRECTORS

We, the undersigned, being two of the Directors of **EUPE CORPORATION BERHAD (377762-V)** do hereby state that, in the opinion of the Directors, the financial statements set out on pages 6 to 92 are drawn up in accordance with the provisions of the Companies Act 1965 and the applicable approved Financial Reporting Standards (FRS) in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 28 February 2013 and of the financial results and the cash flows of the Group and of the Company for the financial year ended on that date.

In the opinion of the Directors, the information set out on page 93 to the financial statements has been complied in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listings Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

MUHAMAD FAISAL BIN TAJUDIN

DATO' BEH HUCK LEE

Sungai Petani, Kedah Darul Aman
21 June 2013

STATUTORY DECLARATION

I, LEONG CHEW POON, being the Deputy General Manager primarily responsible for the financial management of EUPE CORPORATION BERHAD (377762-V) do solemnly and sincerely declare that the financial statements set out on pages 6 to 92 and supplementary information on the disclosure of realised and unrealised profit or loss are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

LEONG CHEW POON
Subscribed and solemnly declared
by the abovenamed at Sungai Petani
in the State of Kedah on 21 June 2013

Before me

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUPE CORPORATION BERHAD

Report on the Financial Statements

We have audited the financial statements of Eupe Corporation Berhad, which comprise the statements of financial position as at 28 February 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive incomes, statements of changes in equity and statements of cash flow of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 92 exclude supplementary information on the disclosure of realised and unrealised profit or loss.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standard and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUPE CORPORATION BERHAD (CONTINUED)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards (FRS) in Malaysia and the Companies Act 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 28 February 2013 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records, and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 7 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

RSM Robert Teo, Kuan & Co.
AF: 0768
Chartered Accountants

Yong Kam Fei
2562/07/14(J)
Chartered Accountant

Kuala Lumpur
21 June 2013

ANALYSIS OF SHAREHOLDINGS
AS AT 5 JULY 2013

Authorised Capital: RM300,000,000.00
Issued And Fully Paid-up Capital: RM128,000,000.00
Class of Shares: Ordinary shares of RM1.00 each
Voting Rights: One vote for each ordinary shares

ANALYSIS BY SIZE OF SHAREHOLDING AS AT 5 JULY 2013

Category By Sizes	No. of Holders		No. of Shares		Percentages	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less Than 100 Shares	8	1	335	51	0.0003	0.0000
100 To 1,000 Shares	2,127	3	2,102,999	3,000	1.6430	0.0023
1,001 To 10,000 Shares	1,802	14	8,081,100	70,000	6.3134	0.0547
10,001 To 100,000 Shares	455	11	13,835,400	324,900	10.8089	0.2538
100,001 To Less Than 5% Of Issued Shares	75	4	47,949,126	2,318,100	37.4603	1.8110
5% And Above Of Issued Shares	2		53,314,989		41.6523	0.0000
Subtotal	**4,469**	**33**	**125,283,949**	**2,716,051**	**97.8781**	**2.1219**
Grand Total (Malaysian + Foreign)	**4,502**		**128,000,000**		**100.0000**	

TOP 30 LARGEST SHAREHOLDERS AS AT 5 JULY 2013

Shareholders	Account Qualifier (Beneficial Owner)	Shareholdings	%
1 BETAJ HOLDINGS SDN BHD		30,053,781	23.48
2 BEH HENG SEONG SDN.BHD.		23,261,208	18.17
3 LIEW HOCK LAI		4,395,900	3.43
4 AHMAD ZAKIUDDIN BIN HARUN		4,000,000	3.13
5 TEH AH YAU RUBBER FACTORY SDN BERHAD		3,742,729	2.92
6 RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR BEH HUCK LEE (511356)	3,500,000	2.73
7 SUCCESS LEADS SDN BHD		2,781,794	2.17
8 FIRM ALLIANCE SDN BHD		2,622,538	2.05
9 CITIGROUP NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA (472602)	2,538,000	1.98
10 THAM SAU KIEN		2,532,300	1.98

ANALYSIS OF SHAREHOLDINGS (CONTINUED)
AS AT 5 JULY 2013

TOP 30 LARGEST SHAREHOLDERS AS AT 5 JULY 2013 (continued)

Shareholders	Account Qualifier (Beneficial Owner)	Shareholdings	%
11 MAYBANK SECURITIES NOMINEES (ASING) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR ONG HAR HONG (REM 650)	1,626,200	1.27
12 TEO KWEE HOCK		1,460,900	1.14
13 HDM NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR LIEW HOCK LAI (M11)	1,300,000	1.02
14 NG CHOR WENG		1,199,600	0.94
15 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR HENG AH MOI (8060540)	1,110,000	0.87
16 HDM NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR RCS ELECTRONICS SDN BHD (M01)	1,056,538	0.83
17 DATO TAJUDIN HOLDINGS SDN BHD		954,611	0.75
18 CIMSEC NOMINEES (TEMPATAN) SDN BHD	CIMB BANK FOR YEO ANN SECK (MY0696)	800,000	0.63
19 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR NEO ENG HUI (8062105)	772,100	0.60
20 CHUAH CHEW HING		620,900	0.49
21 MERCSEC NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR HO LIH MENG	600,000	0.47
22 SIM LIAN HING		569,000	0.44
23 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT (8083338)	500,000	0.39
24 CIMSEC NOMINEES (TEMPATAN) SDN BHD	CIMB BANK FOR TAN MENG SENG (MY1542)	500,000	0.39
25 TAN HUNG CHEW SDN BHD		450,000	0.35
26 YEO KHEE NAM		379,500	0.30
27 MERCSEC NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR SIOW WONG YEN @ SIOW KWANG HWA	357,900	0.28
28 WONG HUNG NGIE		350,000	0.27
29 PUBLIC NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR YU AH SING @ YEO AH SING (E-JBU/PKL)	350,000	0.27
30 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD	PLEDGED SECURITIES ACCOUNT FOR LOH CHUN SEAN (8060553)	350,000	0.27
TOTAL		**94,735,499**	**74.01**

ANALYSIS OF SHAREHOLDINGS (CONTINUED)
AS AT 5 JULY 2013

LIST OF SUBTANTIAL SHAREHOLDERS AS AT 5 JULY 2013

Shareholders

	Shareholdings	%
1 BEH HENG SEONG SDN. BHD.	23,261,208	18.1728
2 BETAJ HOLDINGS SDN. BHD.	30,053,781	23.4795

LIST OF SUBTANTIAL SHAREHOLDINGS AS AT 5 JULY 2013

	Direct Interest		Indirect Interest	
	Shareholdings	Percentage	Shareholdings	Percentage
1 Beh Huck Lee	3,500,00 (d)	2.7344	53,314,989 (a)	41.6523
2 Teoh Choon Boay	234,416	0.1831	53,474,389 (b)	41.7768
3 Tan Hiang Joo	10,000	0.0078	-	-
4 Muhamad Faisal Bin Tajudin	-	-	30,053,781(c)	23.4795

Note:

(a) Deemed interested by virtue of Section 6A of the Companies Act, 1965 through shareholdings in Beh Heng Seong Sdn. Bhd. which in turn holds shares in Betaj Holdings Sdn. Bhd.

(b) Deemed interested by virtue of Section 6A of the Companies Act, 1965 through shareholdings in Beh Heng Seong Sdn. Bhd. which in turn holds shares in Betaj Holdings Sdn. Bhd. and Section 134(12)(c) of the Companies Act, 1965.

(c) Deemed interested by virtue of Section 6A of the Companies Act, 1965 through shareholdings in Dato' Tajudin Sdn Bhd which in turn holds shares in Betaj Holdings Sdn. Bhd.

(d) Held through RHB Capital Nominess (Tempatan) Sdn. Bhd.

LIST OF PROPERTIES HELD
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

Location & Description	Tenure & Age	Land Area	Existing Use	Date of (acquisition) or last revaluation	NBV at 28 Feb 2013
EUPE KEMAJUAN SDN BHD					
1. P.T. 66058, H.S.(M) 2434 Mukim of Sungai Petani, District of Kuala Muda Located along the eastern side of Jln Badlishah, within Taman Ria, Sungai Petani, Kedah	Freehold	1.07 acres (46,719 sq. ft.; 4,340 sq. m.)	Land held for commercial development	Jul-2010	421,193
2. P.T. 20439, H.S.(M) 569/92 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Golf and Country Resort Sungai Petani, Kedah	Freehold	4.01 acres (174,885 sq. ft.: 16,247 sq. m.)	Land held for residential development	Feb-1996	3,607,028
3. P.T. 09943, P.T. 09959 to P.T. 09962, P.T. 10134, P.T.10252, P.T. 10256 to P.T. 10258, and P.T. 10389 to P.T.10390 H.S.(M) 31/1989, H.S.(M) 47/1989 to H.S. (M) 50/1989,H.S.(M) 222/1989, H.S.(M) 340/1989, H.S.(M) 344/1989 to H.S.(M) 346/1989, and H.S.(M) 477/4989 to H.S.(M) 478/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah	Freehold	2.47 acres (107,524 sq. ft.: 9,989 sq. m)	Land held for residential development	Mar-1996	3,147,622
4. P.T. 13453, H.S.(M) 2974/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah	Freehold	3.35 acres (146,130 sq. ft.: 13.575 sq. m.)	Land held for commercial development	Jul-2010	4,931,063
5. P.T. 13454 to P.T.13456 H.S.(M) 2975/1989 to H.S.(M) 2977/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah	Freehold	2.19 acres (95,453 sq. ft.: 8,868 sq. m.)	Land held for commercial development	Feb-1996	2,530,247
6. P.T. 10713 to P.T. 10793 H.S.(M) 797/89 to H.S.(M) 877/89 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah	Freehold	3.18 acres (138,643 sq. ft: 12,880 sq. m.)	Land held for commercial development	Mar-1996	4,373,099
7. P.T. 15777 to P.T. 15793 H.S.(M) 5298/1989 to H.S.(M) 5314/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah	Freehold	3.11 acres (135,539 sq. ft.: 12,592 sq. m.)	Land held for residential development	Mar-1996	2,258,051

LIST OF PROPERTIES HELD (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

Location & Description	Tenure & Age	Land Area	Existing Use	Date of (acquisition) or last revaluation	NBV at 28 Feb 2013
EUPE KEMAJUAN SDN BHD					
8. P.T. 71108 to P.T. 71128 H.S.(M) 2972 to H.S.(M) 2990 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah	Freehold	10.78 acres (469,716 sq. ft.: 43,638 sq. m.)	Land held for mixed development	Apr-1991	1,090,192
9. 244 development lots within P.T. 69088 to P.T. 70918 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Kelisa Ria, Sungai Petani	Freehold	48.12 acres (2,096,124 sq. ft.: 194,736 sq. m.)	Land held for mixed development	Mar-1996	5,337,469
10. Lots 2789, 2794, 2796, 2797, 2800, 2801, 3003, 3004, 3630, 3631, 5503, 5504 and 5505 Mukim of Sungai Petani, District of Kuala Muda Located next to Taman Kelisa Ria and Aman Jaya	Freehold	136.12 acres (5,929,387 sq. ft.: 550,858 sq. m.)	Land held for mixed development	Sep-2001	15,014,574
11. Lots 2789, 2794, 2796, 2797, 2800, 2801, 3003, 3004, 3630, 3631, 5503, 5504 and 5505 Mukim of Sungai Petani, District of Kuala Muda Located next to Taman Kelisa Ria and Aman Jaya	Freehold	56.35 acres (2,454,606 sq. ft.: 228,040 sq. m.)	Development in progress	Sep-2001	27,244,663
12. P.T. 82535 to 82558, P.T. 82590 to 82603, P.T. 83025 to P.T. 83039, P.T. 83079 to 83089,P.T. 83189 to 83191, P.T. 83245 to 83250, P.T. 83285 to 83287, P.T. 83385 to 83423, P.T. 83504 to 83507, P.T. 92134 to P.T. 92167, P.T. 92370 to P.T. 92382, P.T. 92584 to P.T. 92591, P.T. 92666 to P.T. 92737, P.T. 92798 to P.T. 92803, P.T. 92908 to P.T. 92915 and P.T. 92917 H.S.(D) 95138 to H.S.(D) 95161, H.S.(D) 95193 to H.S.(D) 95206, H.S.(D) 95628 to H.S.(D) 95642, H.S.(D) 95682 to H.S.(D) 95692, H.S.(D) 95792 to H.S.(D) 95794, H.S.(D) 95848 to H.S.(D) 95853, H.S.(D) 95888 to H.S.(D) 95890, H.S.(D) 95988 to H.S.(D) 96026, H.S.(D) 96107 to H.S.(D) 96110, H.S.(D) 109664 to 109697, H.S. (D) 109900 to H.S.(D) 109912, H.S.(D) 110114 to H.S.(D) 110121, H.S.(D) 110196 to 110267, H.S.(D) 110328 to 110333, H.S.(D) 110438 to 110445 and H.S.(D) 110447 Mukim of Pinang Tunggal, District of Kuala Muda Located within Bandar Seri Astana, Sungai Petani	Freehold	29.40 acres (1,280,604 sq. ft.: 118,972 sq. m.)	Land held for mixed development	Jun-2010	10,060,055

LIST OF PROPERTIES HELD (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

Location & Description	Tenure & Age	Land Area	Existing Use	Date of (acquisition) or last revaluation	NBV at 28 Feb 2013
EUPE KEMAJUAN SDN BHD					
13. P.T. 5208 and P.T. 5210 H.S.(D) 27776 and H.S.(D) 27778 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Puteri Jaya	Freehold	209.04 acres (9,105,782 sq. ft.: 845,955 sq. m.)	Development in progress	Mar-2008	36,858,746
14. P.T. 558, GM 796 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Seri Astana	Freehold	8.07 acres (351,420 sq. ft.: 32,647 sq. m.)	Agriculture land	Mar-2003	276,761
15. P.T. 5205 and P.T. 5209 H.S.(D) 27773 and H.S.(D) 27777 Mukim of Pinang Tunggal, District of Kuala Muda Located next to Bandar Puteri Jaya	Freehold	247.09 acres (10,763,240 sq. ft.: 999,938 sq. m.)	Development in progress	Mar-2008	16,964,672
MERA-LAND (MALAYSIA) SDN BHD					
16. Lots 63, 65, 741 and 743, SP 27493, SP 27495, SP 30052, SPB 62192 Mukim of Gurun, District of Kuala Muda Located along the southern side of Gurun/Jeniang Main road, about 7 kilometres east of Gurun, Kedah	Freehold	291.97 acres (12,717,976 sq. ft.: 1,181,539 sq. m.)	Development in progress	Mar-1996	13,486,301
EUPE DEVELOPMENT SDN BHD					
17. Lot 3289, part of lot 3185, part of lot 3295, part of lot 3196, lot 22796, part of lot 4666, lot 4667 to 4670, part of lot 4672, lot 4673 to 4678 and part of lot 3187 Mukim of Sungai Petani, District of Kuala Muda Located next to Cinta Sayang Golf and Country Resort Persiaran Cinta Sayang, Sungai Petani, Kedah	Freehold	140.37 acres (6,114,517 sq. ft.: 568,057 sq. m.)	Development in progress	(Oct-2001)	18,306,288
BUKIT MAKMUR SDN BHD					
18. P.T. 30401 H.S.(D) 449/95 Mukim of Sungai Petani, District of Kuala Muda Within Kawasan Perusahaan Ringan Bukit Makmur	Freehold	5.51 acres (239,855 sq. ft.: 22,283 sq. m.)	Land held for commercial development	Feb-1996	1,914,574

LIST OF PROPERTIES HELD (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

Location & Description	Tenure & Age	Land Area	Existing Use	Date of (acquisition) or last revaluation	NBV at 28 Feb 2013
ESTEEM GLORY SDN BHD					
19. P.T. 15797 to P.T.15813 H.S.(D) 5318/1989 to H.S.(D) 5334/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria Jaya, Sungai Petani, Kedah	Freehold	7.45 acres (324,618 sq. ft.: 30,157 sq. m.)	Land held for residential development	Mar-1996	1,701,637
20. P.T. 211 to P.T. 283, P.T. 308 to P.T. 316, P.T. 329 to 340, P.T. 606 to P.T. 625, P.T. 1435 to P.T. 1461, P.T. 1476 to P.T. 1681, P.T. 1687 to P.T. 1695, P.T. 1698 and P.T. 5644 to P.T. 5715 H.S.(D) 48/89 to H.S.(D) 120/89, H.S.(D) 145/89 to H.S.(D) 153/89, H.S.(D) 166/89 to H.S.(D) 177/89, H.S.(D) 428/89 to H.S.(D) 447/89, H.S.(D) 1255/89 to H.S.(D) 1281/89, H.S.(D) 1296/89 to H.S.(D) 1501/89, H.S.(D) 1507/89 to H.S.(D) 1515/89, H.S.(D) 1518/89 and H.S. (D) 50714 to 50785 Mukim of Naga Lilit, District of Kulim Located within Taman Ria, Padang Serai, Kedah	Freehold	47.36 acres (2,063,006 sq. ft.: 191,660 sq. m.)	Land held for mixed development	May-1996	10,661,579
EUPE BANGSAR SOUTH DEVELOPMENT (JV) SDN BHD					
21. Lot 2491 and Lot 2504 [GRN 45341 and GRN 45342] Mukim & District of Kuala Lumpur Federal Territory of Kuala Lumpur. Located at Bangsar South	Freehold	3.03 acres (131,801 sq. ft.: 12,245 sq. m.)	Land held for mixed development	(Feb-2012)	39,710,102
EUPE HOMES (MM2H) SDN BHD					
22. P.T. 55443 to P.T. 55445 H.S.(D) 648 to H.S.(D) 650 Mukim of Sungai Petani, District of Kuala Muda Located next to Taman Ria, Sungai Petani	Freehold	0.38 acres (16,533 sq. ft.: 1,536 sq. m.)	Land held for residential development	Mar-1996	62,956

LIST OF PROPERTIES HELD (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

Location & Description	Tenure & Age	Land Area	Existing Use	Date of (acquisition) or last revaluation	NBV at 28 Feb 2013
EUPE GOLF MANAGEMENT BERHAD					
23. P.T. 17698 and P.T. 17699 H.S.(D) 1073/90 and H.S.(D) 1074/90 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah	Leasehold for 60 years expiring 31/07/2051	190.88 acres (8,314,733 sq. ft.: 772,438 sq. m.)	Golf and Country Resort	Feb-2010	29,811,982
EUPE GOLF RECREATION & TOUR SDN BHD					
24. P.T. 10398 and P.T. 10422 H.S.(D) 486/89 to H.S.(D) 510/89 P.T. 10447 to P.T. 10457 H.S.(M) 535/1989 to H.S.(M) 545/1989 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Hotel Persiaran Cinta Sayang, Sungai Petani, Kedah	Freehold 18 to 25 years	8.62 acres (375,487 sq. ft.: 34,897 sq. m.)	Golf and Country Resort	Sep-2006	22,418,388
EUPE REALTY SDN BHD					
25. P.T. 21648, H.S.(M) 3/94 Mukim of Sungai Petani, District of Kuala Muda Located along the eastern side of Jln Badlishah, Sungai Petani, Kedah known as Wisma Ria]	Freehold 17 years	1.67 acres (72,642 sq. ft.: 6,748 sq. m.)	Commercial building held for rental income	Feb-2010	14,400,000
26. P.T. 21646, H.S.(M) 1/94 Mukim of Sungai Petani, District of Kuala Muda Located along the eastern side of Jln Badlishah, within Taman Ria, Sungai Petani, Kedah	Freehold	1.08 acres (47,207 sq. ft.: 4,386 sq. m.)	Land held for commercial development	Feb-2010	1,650,000
27. P.T. 20439, H.S.(M) 569/92 Mukim of Sungai Petani, District of Kuala Muda Located within Cinta Sayang Golf and Country Resort Sungai Petani, Kedah - Sky Residence	Freehold	-	Apartments held for rental income	Jun-2011	7,917,953
PASAR TAMAN RIA SDN BHD					
28. P.T. 05925 to P.T. 05944 H.S.(M) 278/1986 to H.S.(M) 297/1986 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria, Sungai Petani, Kedah	Freehold 25 years	0.70 acres (30,574 sq. ft.: 2,840 sq. m.)	Commercial lots held for rental income	Feb-2010	3,243,342

LIST OF PROPERTIES HELD (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2013

Location & Description	Tenure & Age	Land Area	Existing Use	Date of (acquisition) or last revaluation	NBV at 28 Feb 2013
RIA PLAZA SDN BHD					
29. P.T. 05945 to P.T. 05954 H.S.(M) 298/1986 to H.S.(M) 307/1986 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria, Sungai Petani, Kedah	Freehold 24 years	0.37 acres (16,307 sq. ft.: 1,515 sq. m.)	Commercial lots held for rental income	Feb-2009	1,377,000
RIA FOOD CENTRE SDN BHD					
30. P.T. 05916 to P.T. 05924 H.S.(M) 269/1986 to H.S.(M) 277/1986 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria, Sungai Petani, Kedah	Freehold 24 years	0.34 acres (14,995 sq. ft.: 1,393 sq. m.)	Commercial lots held for rental income	Sep-2010	1,249,000
EUPE HOTEL SDN BHD					
31. P.T. 09297, H.S.(M) 2632/1986 Mukim of Sungai Petani, District of Kuala Muda Located within Taman Ria, Sungai Petani, Kedah	Freehold	1.80 acres (78,468 sq. ft.: 7,290 sq. m.)	Land held for hotel development	Feb-1996	4,061,688
MILLENNIUM PACE SDN BHD					
32. Lots 3329 and 3330, GM 4442 and GM 4443 Mukim of Sungai Petani, District of Kuala Muda Located within Chengai	Freehold	47.86 acres (2,084,782 sq. ft.: 193,683 sq. m.)	Agriculture land	(May-2002)	4,082,796

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of EUPE CORPORATION BERHAD will be held at Garuda I, Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman on Wednesday, 28 August 2013 at 10.00 a.m. for the following purposes:-

A G E N D A

1 To receive and adopt the Audited Financial Statements for the year ended 28th February 2013 together with the Report of the Directors and Auditors thereon.
(please refer to Note No.1)

2 To re-elect the following Directors who retire by rotation in accordance with the Article 82 of the Company's Articles of Association:
2.1 Dato' Beh Huck Lee **RESOLUTION 1**
2.2 Encik Muhamad Faisal bin Tajudin **RESOLUTION 2**

3 To re-appoint Messrs. RSM Robert Teo, Kuan & Co. as Auditors of the Company and to authorize the Directors to fix their remuneration. **RESOLUTION 3**

4 To consider and if thought fit, to pass the following resolutions as an Ordinary Resolution: As Special Business:

4.1 Authority to issue and allot shares **RESOLUTION 4**

"That pursuant to Section 132D of the Companies Act 1965 and subject to the approval of the relevant authorities (if any shall be required), the Directors be and are hereby authorized to allot and issue new ordinary shares of RM1.00 each (other than bonus or right issues) in the Company at any time and upon such terms and conditions and for such purposes as the Directors, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

4.2 Proposed Renewal of Authority to purchase its own shares by the Company. **RESOLUTION 5**

"THAT, subject always to the Companies Act 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company and the Listing to the extent permitted by law, to make purchases of the Company's issued and paid-up ordinary share capital from time to time through Bursa Securities, subject

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

4 To consider and if thought fit, to pass the following resolutions as an Ordinary Resolution: As Special Business: (continued)

4.2 Proposed Renewal of Authority to purchase its own shares by the Company. (continued)

further to the following:-

(a) The maximum aggregate number of ordinary shares which may be purchased and held by the Company must not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company at any point in time. ("Proposed Share Buy-Back")

(b) The maximum amount to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the Company's total retained profits and the share premium account at the time of purchase of the Proposed Share Buy-Back;

(c) The approval conferred by this resolution will commence immediately upon the passing of this resolution until:-

(1) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution is passed at which time the authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed either unconditionally or subject to conditions;

(2) expiration of the period within which the next AGM of the Company is required by law to be held; or

(3) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first but not as to prejudice the completion of the purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority; and

(d) upon completion of the purchase(s) of the Eupe Shares or any part thereof by the Company, the Directors be and are hereby authorised to cancel all the Eupe Shares so purchased, retained the shares so purchased in treasury for distribution asdividend to the shareholders and/or resell on the market of Bursa Securities or retain part thereof as treasury shares and canceling the balance and in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other relevant authority for the time being in force;

4 To consider and if thought fit, to pass the following resolutions as an Ordinary Resolution: As Special Business: (continued)

4.2 Proposed Renewal of Authority to purchase its own shares by the Company. (continued)

And THAT authority be and is hereby unconditionally and generally given to the Directors to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depositor account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Securities and all other relevant governmental and/or regulatory authorities."

4.3 Proposed Amendments to the Articles of Association of the Company **SPECIAL RESOLUTION 1**

"THAT the proposed amendments to the Articles of Association of the Company as per Appendix 1 attached be and are hereby approved and THAT the Directors and Secretary of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Articles of Association of the Company,"

4.4 To consider and if thought fit, to pass the following resolution inaccordance with the Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 **RESOLUTION 6**

"THAT Mr. Tan Hiang Joo who has served the Board as Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 19 May 1997 be and is hereby retained as an Independent Non-Executive Director."

4.5 To consider and if thought fit, to pass the following resolution in accordance with the Recommendation 3.3 of the Malaysian Code of Corporate Governance 2012 **RESOLUTION 7**

"THAT Ms Kek Jenny who has served the Board as Independent Non-Executive Director of the Company for a cumulative term of more than nine years since 28 March 2002 be and is hereby retained as an Independent Non-Executive Director."

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

5. To transact any other ordinary business of which due Notice shall have been received.

BY ORDER OF THE BOARD

NG BEE LIAN [MAICSA 7041392]
Company Secretary

Sungai Petani,
Kedah Darul Aman
Date: 30 July 2013

Explanatory Notes to Special Business:-

(1) Authority to issue and allot shares (Resolution 4)

Your Board would like to act expeditiously on opportunities to expand your Group's business, if and when they arise. The proposed resolution No.4, if passed, is to authorise the Directors to issue up to 10% of the paid-up capital of the Company and will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding current and/or future investment project(s), working capital and /or acquisition.

In order to avoid any delay and cost involved in convening a general meeting to approve such an issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company up to any amount not exceeding in total ten (10) per centum of the issued share capital of the Company for the time being., for such purposes. This authority will, unless revoked or varied by the Company in a General Meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier. No shares had been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 27 August 2012.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

(2) Proposed renewal of authority for the Company to purchase its own shares (Resolution 5)

The purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company by utilizing the funds allocated which shall not exceed the total retained profits and share premium account of the Company. The Company has not purchased any of its own shares since obtaining the said mandate from its shareholders at the last Annual General Meeting held on 27 August 2012. Further information on the Proposed renewal of authority for the Share Buy-Back is set out in the Statement to shareholders dated 30 July 2013 which is despatched together with the Company's 2013 Annual Report.

(3) Proposed Amendments to Articles of Association of Eupe Corporation Berhad (Special Resolution 1)

The Proposed Amendments are to comply with the amendments made to Chapter 7 of the Listing Requirements in relation to the appointment of multiple proxies by an exempt authorised nominees and qualification of proxy.

(4) To retain the designation of Mr. Tan Hiang Joo as Independent Non-Executive Director of the Company in accordance with the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 (Resolution 7)

Mr. Tan Hiang Joo has served the Board as an Independent Non-Executive Director of the Company for more than nine years since 19 May 1997. The Board recommends retaining his designation as Independent Non-Executive Director of the Company based on the following reasons:-

- He fulfills the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa and therefore, is able to bring independent and objective judgment to the Board;
- His experience in the legal and property sector enable him to provide the Board and Audit Committee, as the case may be, with pertinent expertise, skills and competence; and
- He has been with the Company long and therefore understands the Company's business operations which enable him to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings, as the case may be.

(5) To retain the designation of Ms. Kek Jenny as Independent Non-Executive Director of the Company in accordance with the Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 (Resolution 8)

Ms. Kek Jenny has served the Board as an Independent Non-Executive Director of the Company for more than nine years since 28 March 2002. The Board recommends retaining her designation as Independent Non-Executive Director of the Company based on the following reasons:-

- She fulfills the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa and therefore, is able to bring independent and objective judgment to the Board;
- Her experience in the audit, financial due diligence and corporate advisory enable her to provide the Board and Audit Committee, as the case may be, with pertinent expertise, skills and competence; and
- She has been with the Company long and therefore understands the Company's business operations which enable her to contribute actively and effectively during deliberations or discussions at Audit Committee and Board meetings, as the case may be.

NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

Notes:

(1) Agenda No.1

This item of the Agenda is meant to discuss only. The provisions of Section 169 of the Companies Act 1965 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

(2) Appointment of Proxy

A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if his appointer is a corporation, either under seal or under the hands of an officer or attorney duly authorised.

The instrument appointing a proxy must be deposited at the Company's Registered Office, 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

(3) Only members whose name appear in the Record of Depositors as at 23 August 2013 (at least 3 market days before AGM date) will be entitled to attend and vote at the meeting.

(4) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds which is credited with ordinary shares of the Company.

(5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (APPENDIX 1)

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
Article 2 Definitions Para 7.21 (2)	Definitions:- - -	Article 2 4.8 Exempt Authorised Nominee: An authorised nominee is defined under the Central Depositories Act which is exempted from compliance with the provisions of sub-section 25A(1) of the Central Depositories Act	Insertion of new definition 4.8
Para 7.21A (1) Proxy need not be a member	Article 76 The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if appointor is a corporation, either under Seal or under the hands of an officer or attorney duly authorised. A proxy may but need not be a Member of the company and need not any of the persons prescribed by Section 149(1)(b) of the Act. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	To delete Article 81 in its entirety and to be replaced with a new Article 76 Article 76 The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorised in writing or, if appointor is a corporation, either under Seal or under the hands of an officer or attorney duly authorised. A proxy need not be member. There is no restriction to as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	Alteration of existing Article 76

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (APPENDIX 1) (CONTINUED)

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
Para 7.21 Appointment of multiple process	Article 75 A member may appoint more than two (2) proxies to attend at the same meeting, but only one (1) proxy shall be entitled to vote on a show of hands. Where a Member appoints two (2) or more proxies, the Member shall specify in each proxy form the proportion of the Member's shareholdings to be represented by each proxy account.	To delete Article 75 in its entirety and to be replaced with a new Article 75 Article 75 A member shall not appoint more than two (2) proxies to attend at the same meeting but only one (1) proxy shall be entitled to vote on a show of hands. Where a Member appoints two proxies, the proxies shall not be valid unless the Member specifies the proportion of his shareholding to be represented by each proxy. Where a Member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint not	Alteration of Existing Article 75

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION (APPENDIX 1) (CONTINUED)

Chpt 7 of Bursa Listing Requirements	Existing Articles	Proposed Amendments	Remarks
		more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.	
Para 7.21 (1)		Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.	
		Where a Member or the authorised nominee appoints two (2) proxies or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.	
Para 7.21A (2)		A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak in the meeting.	

STATEMENT ACCOMPANYING
Notice Of Seventeenth Annual General Meeting Of Eupe Corporation Berhad

1. The names of directors who are standing for election or re-election in accordance with Articles of Association of the Company:-

   Article 82

   Dato' Beh Huck Lee
   Encik Muhamad Faisal bin Tajudin

   The details of the abovenamed Directors who are seeking for re-election are set out in their respective profiles which appear in the Directors' Profile on pages 8 to 11 of the Annual Report 2013. The Directors' shareholdings in the Company are set out in the Analysis of Shareholdings which appear on page 127 of the Annual Report 2013.

2. The details of attendance of existing Directors at Board meetings.
   During the financial period, four (4) Board meetings were held.

Name	Total Board Meetings attended
Dato' Jaafar Bin Jamaludin	4/4
Datin Teoh Choon Boay	4/4
Dato' Beh Huck Lee	4/4
Tan Hiang Joo	4/4
Kek Jenny	4/4
Muhamad Faisal Bin Tajudin	4/4
Dato' Paduka Haji Ismail bin Haji Shafie	3/4

3. Annual General Meeting of Eupe Corporation Berhad
   Place : Garuda I, Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman
   Date & Time : 28 August 2013 at 10.00 a.m.

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EUPE CORPORATION BERHAD
(377762-V)

PROXY FORM

No. of Shares held _____

I/We, _____ NRIC No. _____ of _____

being a member / members of Eupe Corporation Berhad hereby appoint _____

NRIC No. _____ of _____

or failing him, the **Chairman of the meeting** as my / our proxy to vote for me / us on my / our behalf at the Seventeenth Annual General Meeting of the Company to be held at Garuda I, Cinta Sayang Golf and Country Resort, Persiaran Cinta Sayang, Sungai Petani, Kedah Darul Aman on Wednesday, 28 August 2013 at 10.00 a.m. and at any adjournment thereof in the manner indicated below:

NO	RESOLUTION		FOR	AGAINST
1.	To re-elect the retiring Director, Dato' Beh Huck Lee pursuant to Article 82 of the Company's Articles of Association	Resolution 1		
2.	To re-elect the retiring Director, Encik Muhamad Faisal bin Tajudin pursuant to Article 82 of the Company's Articles of Association	Resolution 2		
3.	To re-appoint Auditors and to authorise the Directors to fix their remuneration	Resolution 3		
4.	Special Business : Authority to issue shares pursuant to Section 132(D) of the Companies Act 1965 (Ordinary Resolution)	Resolution 4		
5.	Special Business : Proposed renewal of authority to purchase its own shares by the Company (Ordinary Resolution)	Resolution 5		
6.	Proposed Amendments to the Articles of Association of the Company (Special Resolution)	Special Resolution 1		
7.	To retain Mr. Tan Hiang Joo as an Independent Non-Executive Director (Ordinary Resolution)	Resolution 6		
8.	To retain Ms Kek Jenny as an Independent Non-Executive Director (Ordinary Resolution)	Resolution 7		

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your proxy to vote. If no instruction is given this form will be taken to authorise the proxy to vote at his / her discretion).

Dated this _____ day of _____ 2013

_____

Signature of Shareholder or Common Seal

Note:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

   Where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.

   The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if his appointer is a corporation, either under seal or under the hands of an officer or attorney duly authorised.

2. The instrument appointing a proxy must be deposited at the Company's Registered Office, 5th Floor, Wisma Ria, Taman Ria, 08000 Sungai Petani, Kedah Darul Aman not less than 48 hours before the time for holding the Meeting or any adjournment thereof.

3. Only members whose name appear in the Record of Depositors as at 28 August 2013 will be entitled to attend and vote at the meeting.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

Affix
Stamp

The Company Secretary

EUPE CORPORATION BERHAD (377762-V)

5th Floor

Wisma Ria, Taman Ria

08000 Sungai Petani

Kedah Darul Aman, Malaysia

Trust is essential in the property development industry and that is exactly what EUPE builds. The building featured commands instant confidence and shows stature that towers above the rest. It shows stakeholders how they can put their trust on EUPE, and how this will further drive EUPE to grow from strength to strength.

EUPE CORPORATION BERHAD
(377762-V)

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